

# **R12.x Oracle Payables Management Fundamentals**

**Volume 1 - Student Guide**

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# Preface

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## Profile

### Before You Begin This Course

- Thorough knowledge of accounting practices.
- Working experience with Accounts Payables processes.

### Prerequisites

- *eBusiness Suite Essentials for Implementers.*

### How This Course Is Organized

R12.x Oracle Payables Management Fundamentals Ed 1 is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

## Related Publications

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### Oracle Publications

Title	Part Number
Oracle Payables User's Guide	E12797-02
Oracle Payables Implementation Guide	E12795-02
Oracle Payables Reference Guide	E12796-02
Oracle E-Business Tax User Guide	E13631-02
Oracle Subledger Accounting Implementation Guide	E13628-02
Oracle Payments Implementation Guide	E13416-02
Oracle Payments User Guide	E13415-02
Oracle Internet Expenses Implementation and Administration Guide	E13454-02
Oracle iSupplier Portal Implementation Guide	B31600-03
Oracle iSupplier Portal User's Guide	E13414-02

### Additional Publications

- System release bulletins
- Installation and user's guides
- Read-me files
- International Oracle User's Group (IOUG) articles
- *Oracle Magazine*

# Typographic Conventions

## Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <b><i>algorithm</i></b> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I', 300);</code> Directory: <code>bin</code> (DOS), <code>\$FMHOME</code> (UNIX) Filename: Locate the <code>init.ora</code> file. Password: User <code>tiger</code> as your password. Pathname: Open <code>c:\my_docs\projects</code> URL: Go to <code>http://www.oracle.com</code> User input: Enter <code>300</code> Username: Log on as <code>scott</code>
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address ( <i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <i>user_id</i> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select "Include a reusable module component" and click Finish.  This subject is covered in Unit II, Lesson 3, "Working with Objects."
Uppercase	SQL column names, commands, functions, schemas, table names	Use the <code>SELECT</code> command to view information stored in the <code>LAST_NAME</code> column of the <code>EMP</code> table.
Arrow	Menu paths	Select File > Save.
Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

## Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER ('prod_pie_layer'))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

## Typographic Conventions in Oracle Application Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select **Invoice** then **Entry** then **Invoice Batches Summary**.
2. (M) From the menu, select **Query** then **Find**.
3. (B) Click the **Approve** button.

### Notations:

(N) = Navigator

(M) = Menu

(T) = Tab

(B) = Button

(I) = Icon

(H) = Hyperlink

(ST) = Sub Tab

## Typographical Conventions in Oracle Application Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) General Ledger > Journals > Enter Journals

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.





# **Procure to Pay Overview**

## **Chapter 1**



# 1

## Procure to Pay Overview

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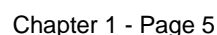
### **Objectives**

After completing this module you should be able to do the following:

- Describe the procure to pay process flow
- Describe the key areas in the procure to pay process
- Describe how the procure to pay process fits into the Oracle eBusiness suite of applications

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**Purchasing**

Purchasing captures accounting information on requisitions and purchase orders. Purchase orders are sent to suppliers who respond by delivering goods or services and sending invoices that are processed in Payables. During the accounting period, accruals for goods set to accrue a liability on receipt are sent to General Ledger. At the end of the accounting period, accruals for goods and services set to accrue a liability at period end can be sent to Subledger Accounting and then transferred to General Ledger. Any suppliers set up in Purchasing are shared with Payables and vice versa.

**Payables**

Supplier invoices are entered into Payables and if appropriate, matched to purchase orders in Purchasing. During the matching process, the invoice distribution is copied from the purchase order (in the case of an expense) or the appropriate liability account (in the case of an inventory item). Payables expenses and payments are created in Subledger Accounting and then transferred to General Ledger.

Invoices for asset purchases can be interfaced to Assets.

**Assets**

Assets from Payables and other sources are maintained in Assets. Assets are added, processed, depreciated and eventually retired. At the end of each asset period, accounting information is created in Subledger Accounting and then transferred to General Ledger.

**Subledger Accounting**

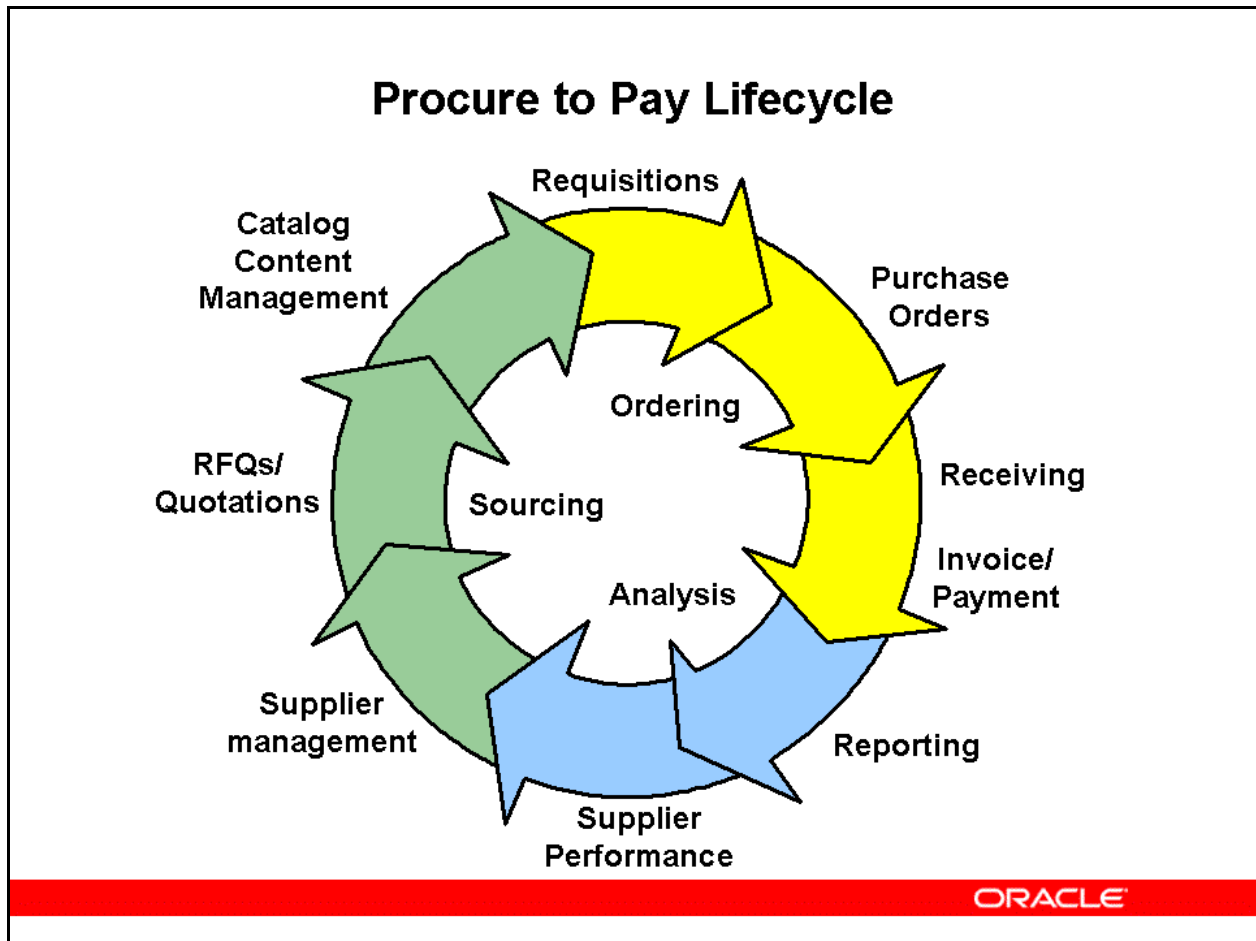
Subledger Accounting is a rule-based accounting engine that centralizes accounting for Oracle E-Business Suite products and provides an accounting toolset and repository for third-party applications. Together with the new ledger support, it enables support of multiple accounting requirements concurrently in a single instance. Different accounting regulations can be satisfied by maintaining and applying different sets of rules to different sets of transactions; or accounting for the same transaction with multiple methods. By maintaining a full link between the transaction and accounting data, it allows powerful reconciliation and auditing capabilities.

Accounting entries from subledger applications, such as Payables and Receivables, are created in Subledger Accounting and then transferred to General Ledger.

**General Ledger**

General Ledger receives accounting information from many Oracle applications. Once accounting information is imported, journals can be posted and account balances updated. When implementing Oracle Applications, creating a ledger consisting of an accounting calendar, currency and chart of accounts is one of the first steps that must be completed before setting up other applications.

# Procure to Pay Lifecycle



## Procure to Pay Lifecycle

The graphic describes the Procure to Pay Lifecycle.

### Sourcing

- Request for quote
- Supplier selection
- Contract negotiations and awards
- Catalog content management

### Ordering

- Requisition and purchase order generation
- Purchase order management and fulfillment
- Payment

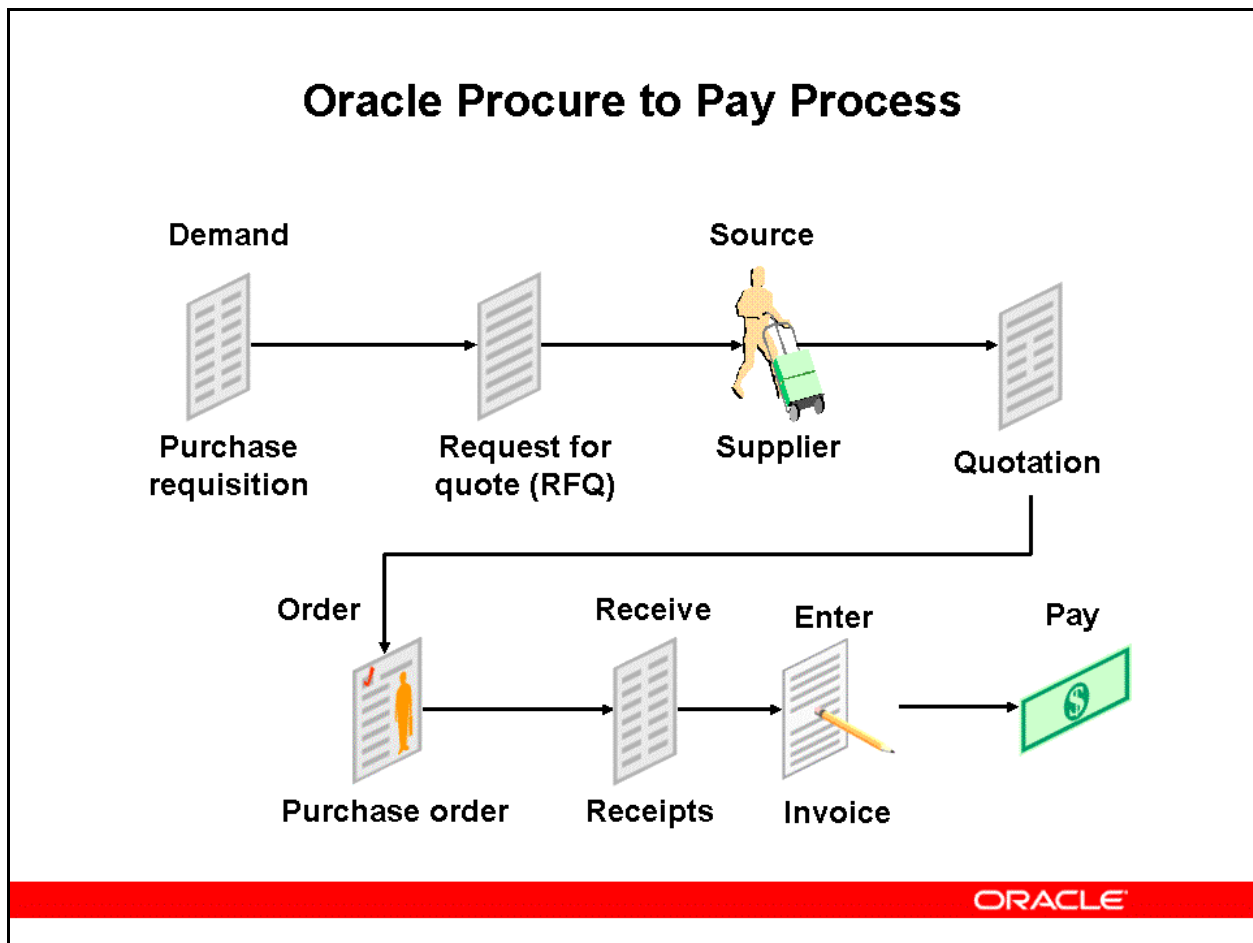
### Reporting and Analysis

- Supplier performance
- Commodity analysis
- Internal compliance
- Robust intelligence gathering

- Decision support
- Process functionality



# Oracle Procure to Pay Process



## Oracle Procure to Pay Process

The graphic explains the Oracle's Procure to Pay Process.

### Demand

The procurement process generates and manages requests for the purchase of goods. The demand for purchase items may be a one-time event or may recur in either predictable or random time intervals.

### Source

The procurement sourcing process covers the business activities related to the search, qualification, and selection of suitable suppliers for requested goods and services.

### Order

The procurement ordering process includes purchase order placement by the buying organization and purchase order execution by the supplying organization.

### Receive

The receipt process acknowledges that a purchase order has been duly executed. For orders of physical goods, it will typically include the receipt, inspection and delivery of the goods to inventory or to another designated location. For orders of services, it will typically consist of a notification from the requester or the approving person that the service has been performed as agreed.

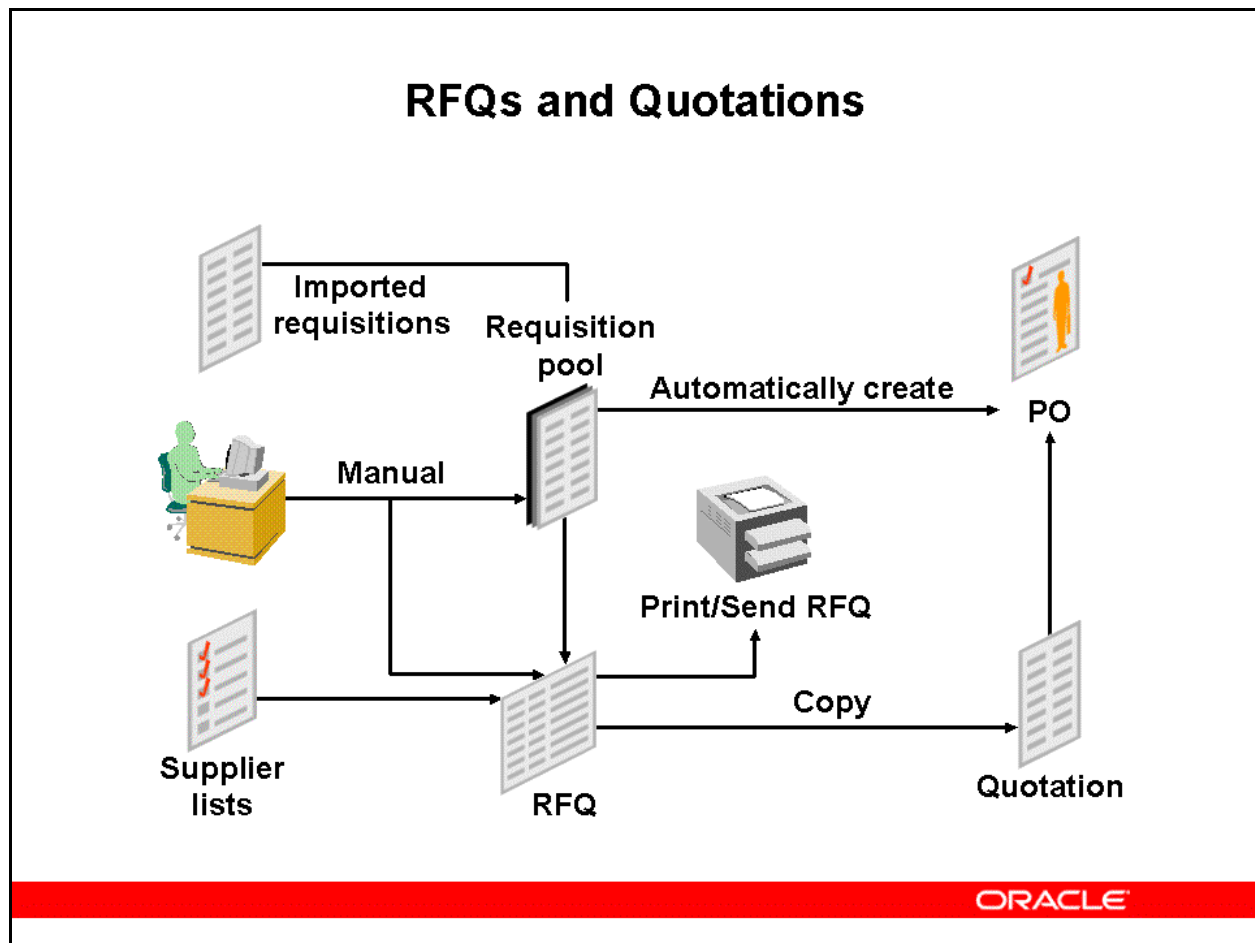
**Invoice**

The invoice process includes entering supplier and employee invoices.

**Pay**

The payment process consists of those activities involved in the payment for ordered goods and services.

## RFQs and Quotations



### RFQs and Quotations

The graphic describes the Request for Quotation and Quotation functionality in Payables.

Purchasing provides you with request for quotation (RFQ), and quotation features to handle your sourcing needs. You can create an RFQ from requisitions, match supplier quotations to your RFQ, and automatically copy quotation information to purchase orders. Purchasing provides complete reporting to control your requests for quotations and evaluate supplier responses.

Quotations can be:

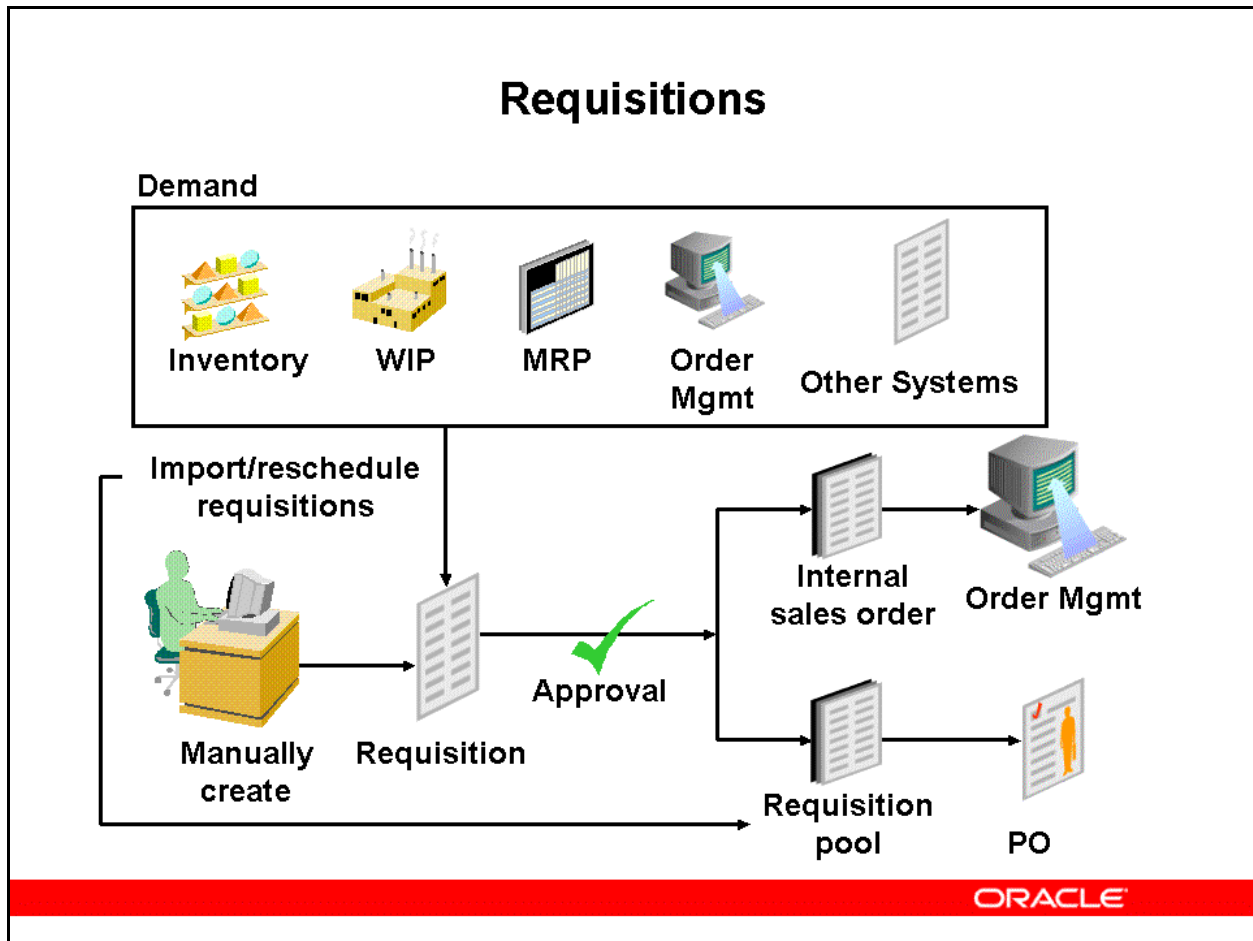
- Entered manually
- Copied from an RFQ
- Imported using the Purchasing Documents Open Interface
- Imported using the e-Commerce Gateway

With Purchasing, you can:

- Identify requisitions that require supplier quotations and automatically create an RFQ.
- Create an RFQ with or without approved requisitions so that you can plan ahead for your future procurement requirements.

- Record supplier quotations from a catalog, telephone conversation, or response from your request for quotation. You can also receive quotations electronically.
- Review, analyze, and approve supplier quotations that you want available to reference on purchase orders and requisitions. You are also able to evaluate your suppliers based on quotation information.
- Receive automatic notification when a quotation or request for quotation approaches expiration.
- Review quotation information online when creating purchase orders or requisitions and copy specific quotation information to a purchase order or requisition.
- Source the items for which you negotiated purchase agreements automatically. If you created Sourcing Rules and Approved Supplier List entries for the items, supplier information can be entered automatically in the Requisitions window when you create requisitions. You can also place supplier information for items onto blanket purchase order releases.

## Requisitions



### Requisitions

The graphic illustrates the demand for goods and services.

Requisitions represent demand for goods or services. Whether you want to provide online requisitions to everyone in the organization or limit the number of users who have access to the system, Purchasing is flexible enough to meet the needs of your organization. With online requisitions, you can centralize your purchasing department, source your requisition with the best suppliers, and ensure that you obtain the appropriate management approval before creating purchase orders from requisitions.

Requisitions for goods and services:

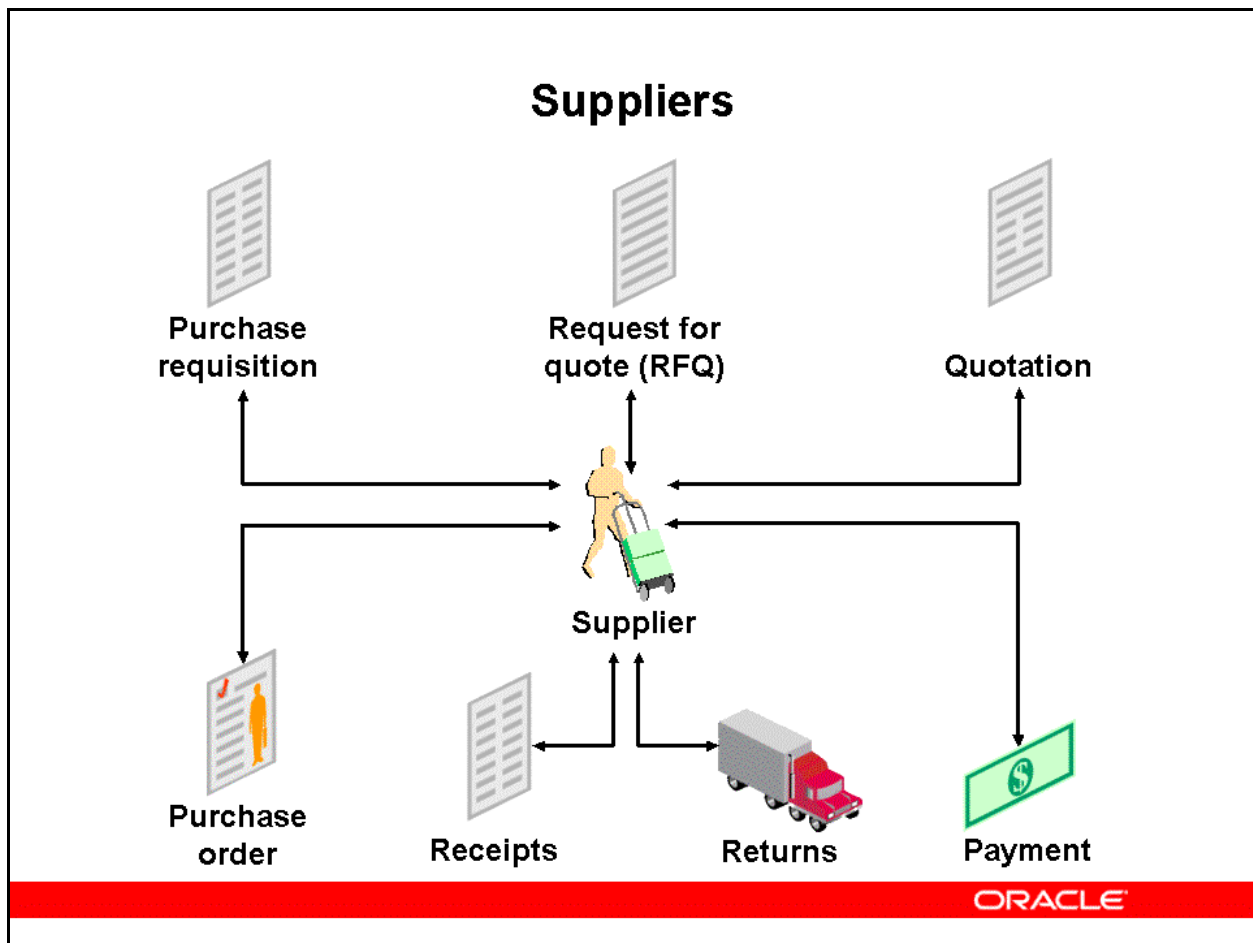
- Are generated by applications including Inventory, Work in Process (WIP), Material Requirements Planning (MRP) and Order Management
- May be entered manually through Purchasing windows
- May be entered using iProcurement
- May be imported from external systems

With Purchasing, you can:

- Create, edit, and review requisition information on-line. Enter suggested supplier information, delivery instructions, multiple accounting distributions, and notes to buyers, approvers, and receivers.

- Review the current status and action history of your requisitions. Know who approves requisitions and whether they are in the approval, purchasing, receiving, or delivery stage.
- Route requisitions according to your approval structure. Set authorization limits by amount, charge account, item category, and location.
- Review and approve requisitions that need your approval. See the full requisition detail and review the action history before you approve a requisition.
- Print requisitions (with a status of Approved, Cancelled, Rejected, In Process, Pre-Approved, and Returned) for off-line review and approval. Track the status of requisitions through the approval process.
- Automatically source requisitions from outstanding blanket purchase agreements or quotations you have received from suppliers.
- Create requisitions quickly and easily for commonly purchased items.
- Provide attachments as notes on requisition headers and lines.
- Assign requisition lines to buyers and review buyer assignments for requisition lines.
- Forward all requisitions awaiting approval from one approver to an alternate approver. Within your security and approval constraints, you are also able to reroute requisitions from one approver to another whenever you want.
- Source goods from your own inventory with internal requisitions.

# Suppliers



## Suppliers

The graphic illustrates the suppliers and different roles they play in Payables process.

You must define a supplier before performing most activities within Purchasing and Payables.

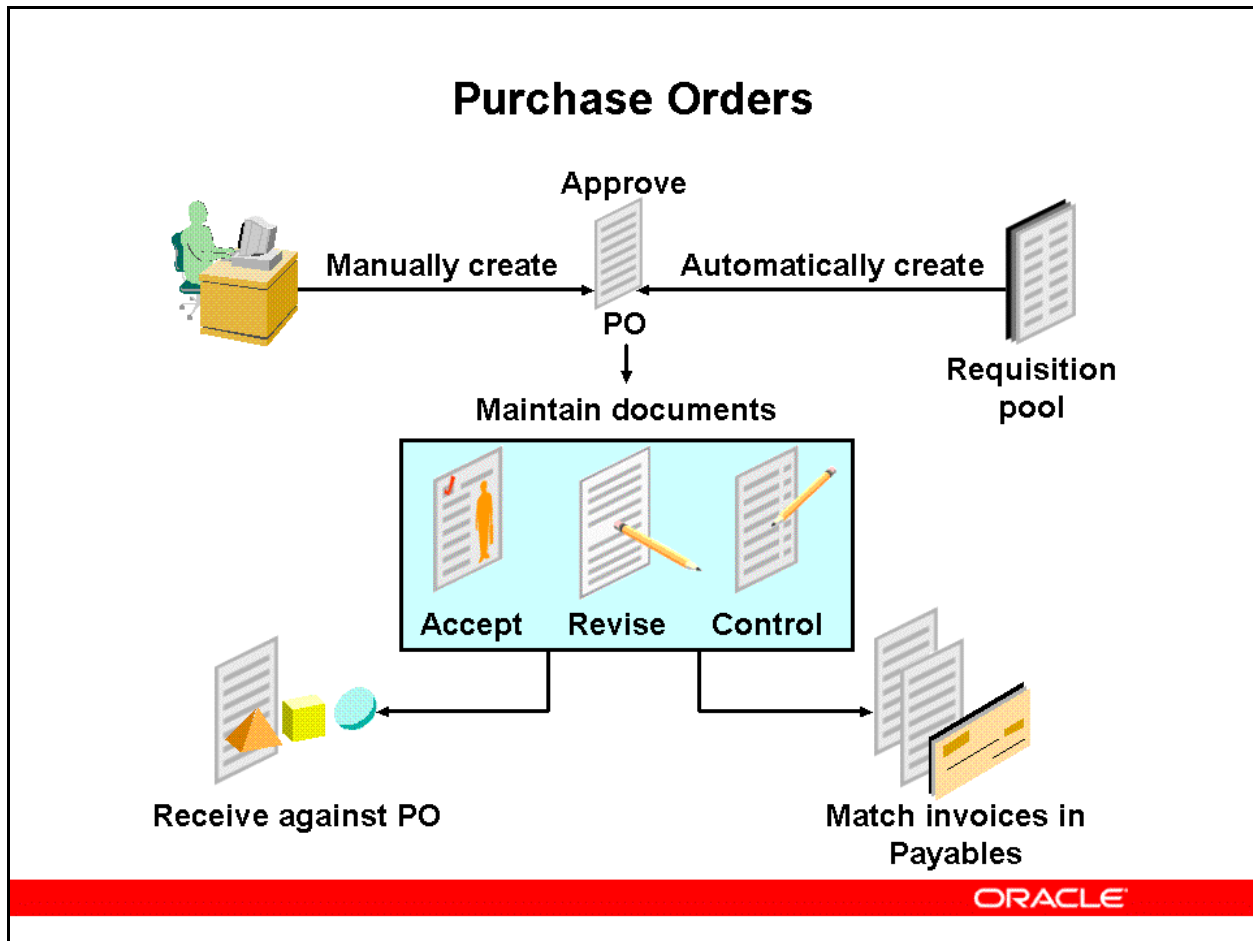
- You optionally enter a recommended supplier on a requisition.
- You need a supplier to issue a request for quotation.
- You use that same supplier when you enter a quotation.
- You need supplier information for purchase orders.
- You receive goods or services from suppliers.
- You return goods to suppliers.
- You must pay the supplier for the goods or services purchased.

Set up suppliers to record information about individuals and companies you purchase goods and services from. You can also enter employees you reimburse for expense reports. You can designate supplier sites as pay sites, purchasing sites, RFQ only sites, or procurement card sites. For example, for a single supplier, you can buy from several different sites and send payments to several different sites. Most supplier information automatically defaults to all supplier sites to facilitate supplier site entry. However, you can override these defaults and have unique information for each site.

Note that the basic supplier definition is now managed by Trading Community Architecture (TCA), which is the central engine for managing Trading Partner information in E-Business Suite. TCA provides a single common definition that can be used to identify customers, suppliers, and organizations that provide you with goods or services, and are in turn, a customer of your own products or services. The TCA repository stores the key elements that define an organization, identity, business locations, and key contacts, so that different Oracle products use a common trading partner definition.



## Purchase Orders



### Purchase Orders

The graphic explains how a purchase order is created, goods are received, and the invoices are paid.

Purchasing supports four types of purchase orders:

**Standard:** Create standard purchase orders for one-time purchases of various items. You create standard purchase orders when you know the details of the goods or services you require, estimated costs, quantities, delivery schedules, and accounting distributions. If you use encumbrance accounting, the purchase order may be encumbered since the required information is known.

**Blanket:** Create blanket purchase agreements when you know the detail of the goods or services you plan to buy from a specific supplier in a period, but you do not yet know the detail of your delivery schedules. You can use blanket purchase agreements to specify negotiated prices for your items before actually purchasing them. Blanket purchase agreements can be created for a single organization or can be shared by different business units of your organization (global agreements). You can encumber funds for a blanket purchase agreement.

**Contract:** Create contract purchase agreements with your suppliers to agree on specific terms and conditions without indicating the goods and services that you will be purchasing.

You can later issue standard purchase orders referencing your contracts, and you can encumber these purchase orders if you use encumbrance accounting.

**Planned:** A planned purchase order is a long-term agreement committing to buy items or services from a single source. You must specify tentative delivery schedules and all details for goods or services that you want to buy, including charge account, quantities, and estimated cost.

Once purchase orders are created, they may be submitted for approval. The approval process checks to see if the submitter has sufficient authority to approve the purchase order. Once the document is approved, it may be sent to your supplier using a variety of methods including: printed document, EDI, fax, e-mail, iSupplier Portal and XML. Once the purchase order or release is sent to your supplier, they are authorized to ship goods at the times and to the locations that have been agreed upon.

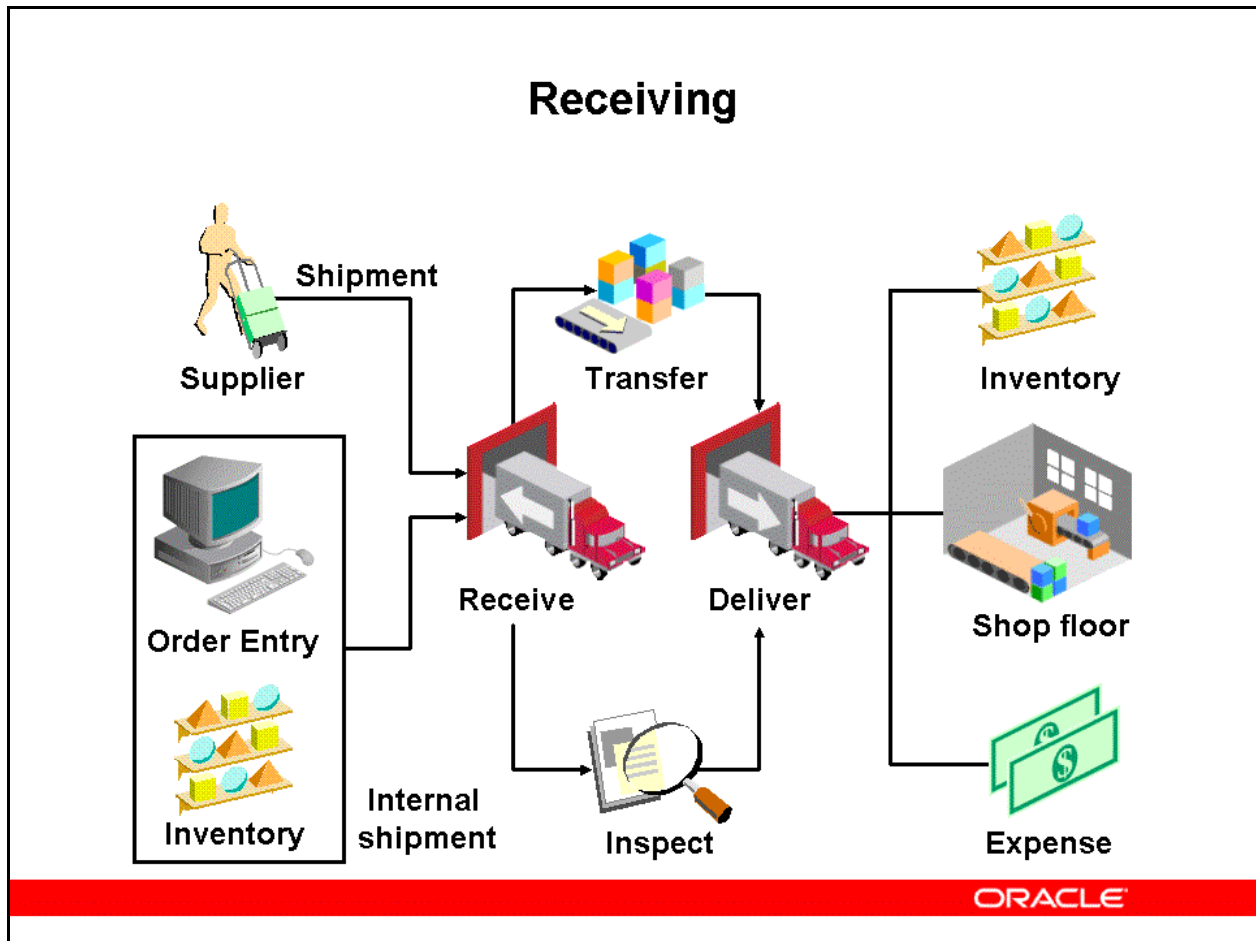
Purchase documents may be created:

- By buyers using the AutoCreate window
- By importing them using the Purchasing Documents Open Interface
- Automatically, by the Create Releases program (Blanket releases)
- Automatically, by Workflow (Blanket releases or Standard purchase orders)

With Purchasing, you can:

- Review all of your purchases with your suppliers to negotiate better discounts.
- Create purchase orders simply by entering a supplier and item details.
- Create Standard purchase orders and Blanket releases from both on-line and paper requisitions.
- Create accurate and detailed accounting information so that you charge purchases to the appropriate departments.
- Review the status and history of your purchase orders at any time for all the information you need.
- Record supplier acceptances of your purchase orders. You always know whether your suppliers have received and accepted your purchase order terms and conditions.
- Copy purchase orders.

## Receiving



### Receiving

The graphic describes different processes involved in receiving.

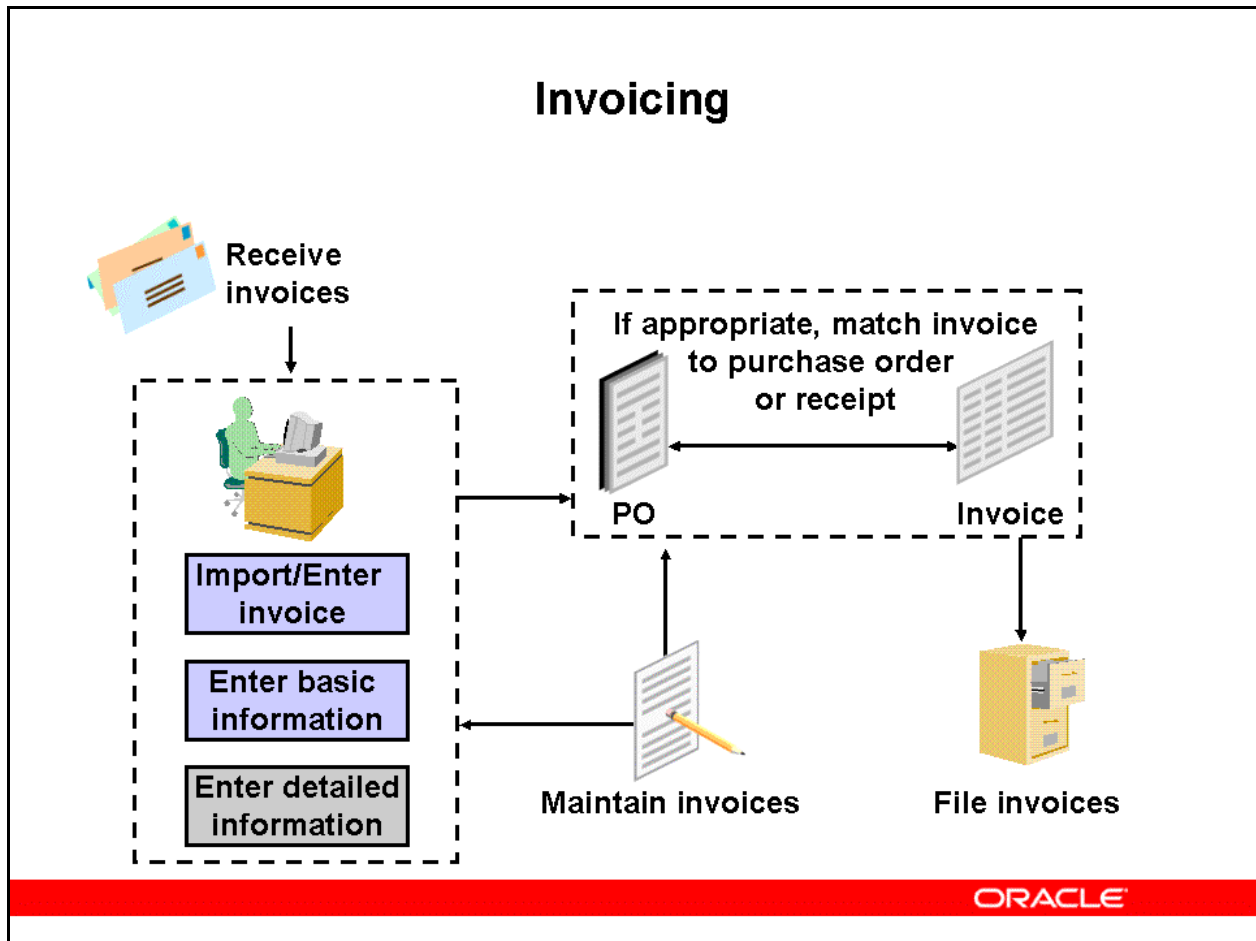
Using Purchasing, you can process receipts from suppliers, receipts from other warehouses or inventory organizations, in-transit shipments and receipts due to customer returns. You can search for expected receipts based on a purchase order or a customer return recorded in Order Management and then process them to their final destination whether it is Inventory, Expense or Shop Floor. Purchasing lets you control the items you order through receiving, inspection, transfer, and internal delivery. You can use these features to control the quantity, quality, and internal delivery of the items you receive.

With Purchasing, you can:

- Use routing controls at the organization, supplier, item, or order level to enforce material movement through receiving. For example, you can require inspection for some items and dock-to-stock receipt for others.
- Define receiving tolerances at the organization, supplier, item, and order level, with the lowest level overriding previous levels. You can define tolerances for receipt quantity, on-time delivery, and receiving location. You can assign looser tolerances to low-value items. You can set enforcement options to ignore, warn the user, or reject transactions that violate the tolerances.

- Use blind receiving to improve accuracy in the receiving process. With this option, the quantity due for each shipment does not show and quantity control tolerances are ignored.
- Use Express and Cascade receiving to process certain types of receipts more quickly.
- Use Advance Shipping Notices (ASNs) to save time in processing receipts.
- Record receipt of unordered items based on your item, supplier, or organization defaults. For example, if your organization does not allow receipt of unordered items, you should not be able to enter a receipt unless it can be matched to a purchase order shipment.
- Record the receipt of predefined substitute items.
- Record the receipt of services and labor.

# Invoicing



## Invoicing

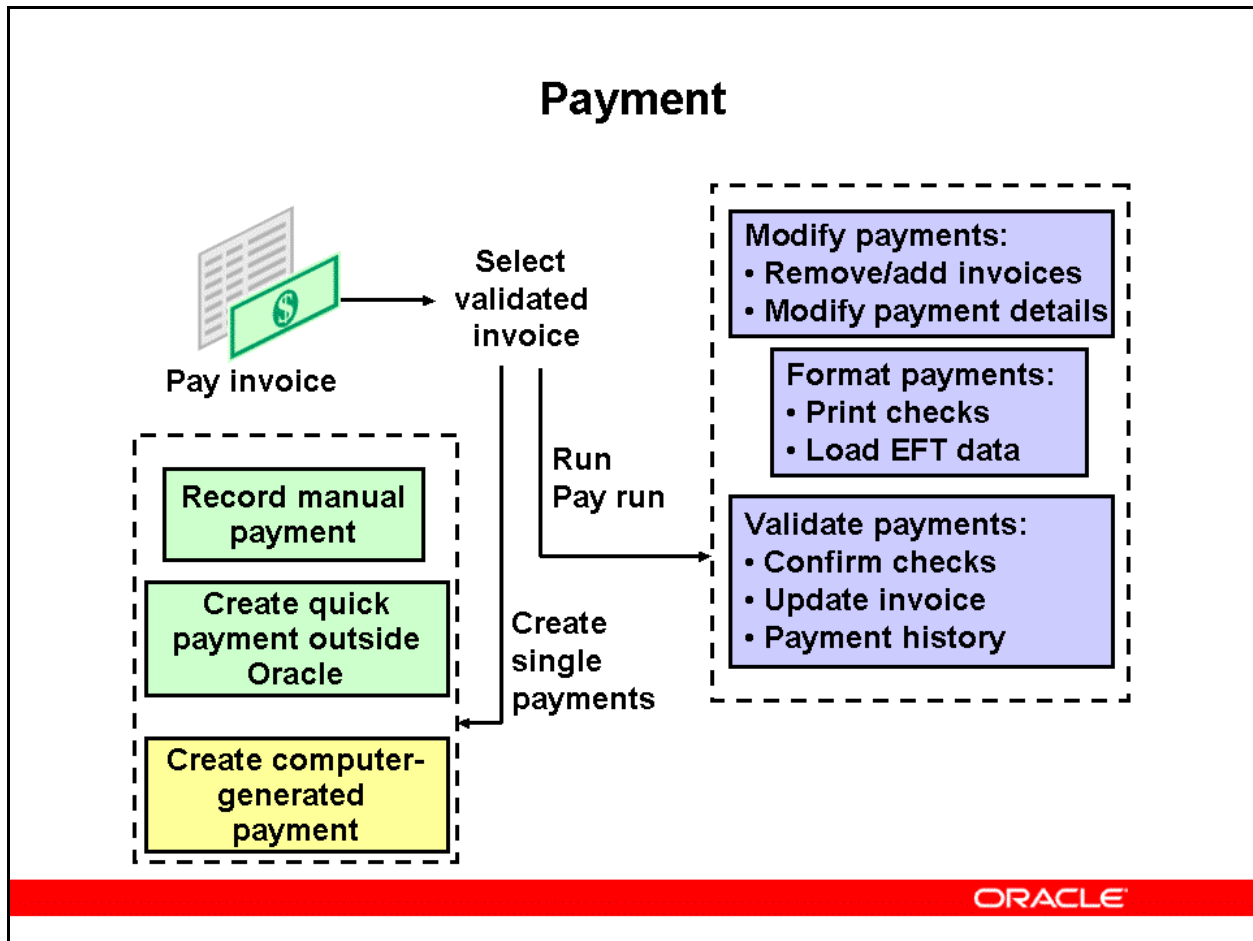
The graphic describes the process involved in Invoicing.

Once you've received goods or service from your supplier, you'll also receive an invoice. Using Payables you can record invoices in a number of different ways.

With Payables you can:

- Import or enter invoices manually, either individually or in batches.
- Use Quick Invoices for rapid, high-volume entry of standard invoices and credit memos that are not complex and do not require extensive online validation.
- Automate invoice creation for periodic invoices using the Recurring Invoice functionality.
- Use iExpenses to enter employee expense reports using a web browser.
- Record credit card/procurement card invoices from transactions the credit card issuer sends to you in a flat file.
- Import EDI invoices processed with the e-Commerce Gateway.
- Import lease invoices transferred from Property Manager.
- Import XML invoices.
- Match invoices to purchase orders or receipts to ensure you only pay what you're supposed to be paying for.

## Payment



### Payment

The graphic explains the Payment processing.

Once invoices are validated, they can be paid. Payables provides information that you need to make effective payment decisions, stay in control of payments to suppliers and employees, and keep your accounting records up-to-date so that you always know your cash position. Payables integrates with Oracle Payments, the E-Business Suite payment engine, to handle every form of payment, including checks, manual payments, wire transfers, EDI payments, bank drafts, and electronic funds transfers. Payables also integrates with Oracle Cash Management to support automatic or manual reconciliation of your payments with bank statements sent by the bank.

Through Payables, you can:

- Ensure duplicate invoice payments never occur.
- Pay only invoices that are due, and automatically take the maximum discount available.
- Select invoices for payment using a wide variety of criteria.
- Record stop payments.
- Record void payments.
- Review information on the status of every payment online.

- Process positive pay.

### Summary

You should be able to do the following:

- Describe the procure to pay process flow
- Describe the key areas in the procure to pay process
- Describe how the procure to pay process fits into the Oracle eBusiness suite of applications

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## Quiz

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### Quiz

The Procure to Pay process, includes Sourcing, Ordering, and Reporting and Analysis.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 1-4.

## Quiz

---

### Quiz

In the Sourcing phase of Procure to Pay process, includes the following:

1. Request for quote
2. Supplier selection
3. Contract negotiations and awards
4. Catalog Content management
5. None of the Above

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**Answers: 1, 2, 3, 4**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 1-4.

## Quiz

---

### Quiz

In the Ordering phase of Procure to Pay process, you:

1. Create Requisition and generate purchase orders
2. Manage purchase order and fulfillment
3. Manage payments

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**Answers: 1, 2, 3**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 1-4.

## Quiz

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### Quiz

Set up suppliers to record information about individuals and companies you purchase goods and services from.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 1-8.

## Quiz

---

### Quiz

Oracle Purchasing supports the following types:

1. Standard
2. Blanket
3. Contract
4. Planned
5. None of the Above

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 1-9.

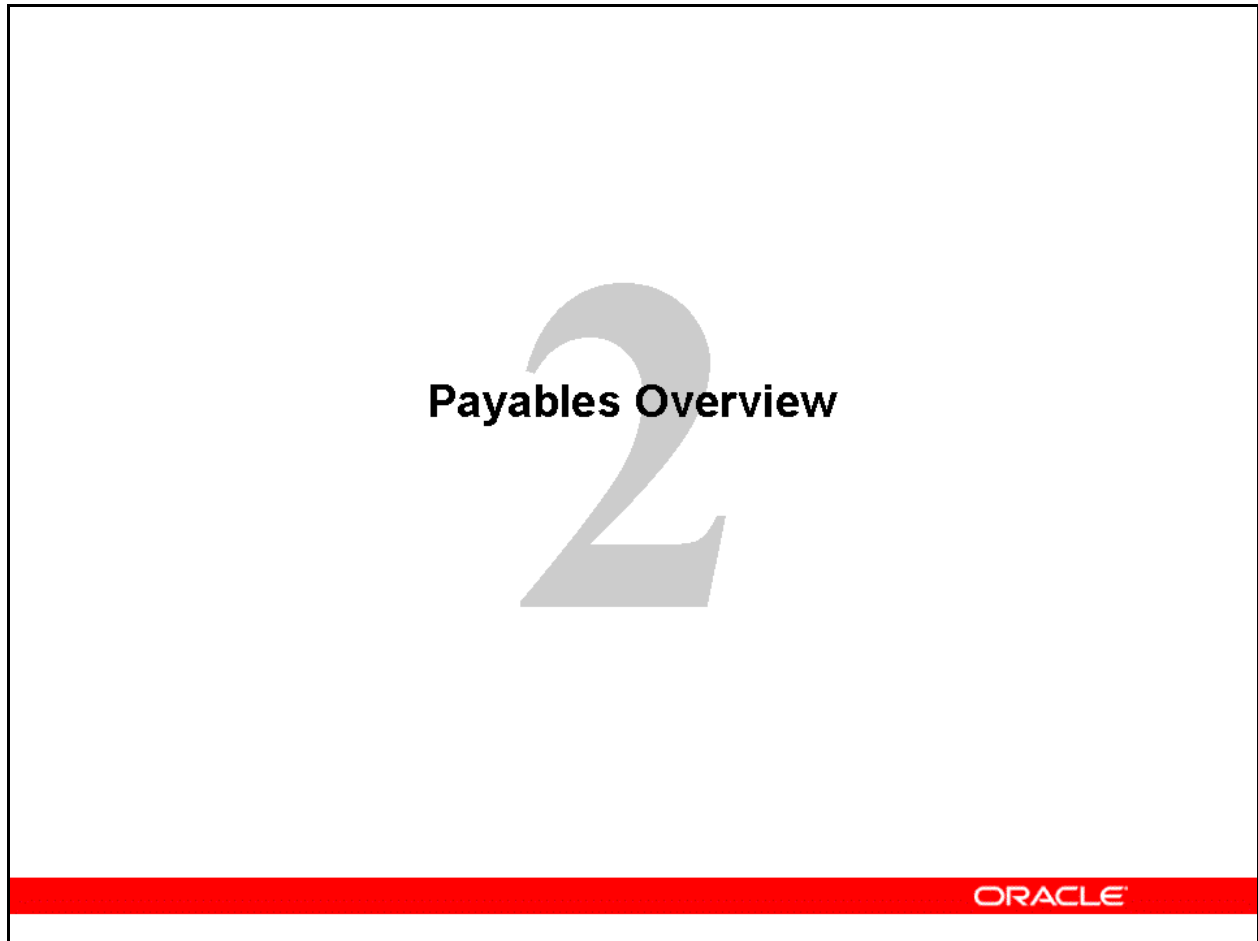


# **Payables Overview**

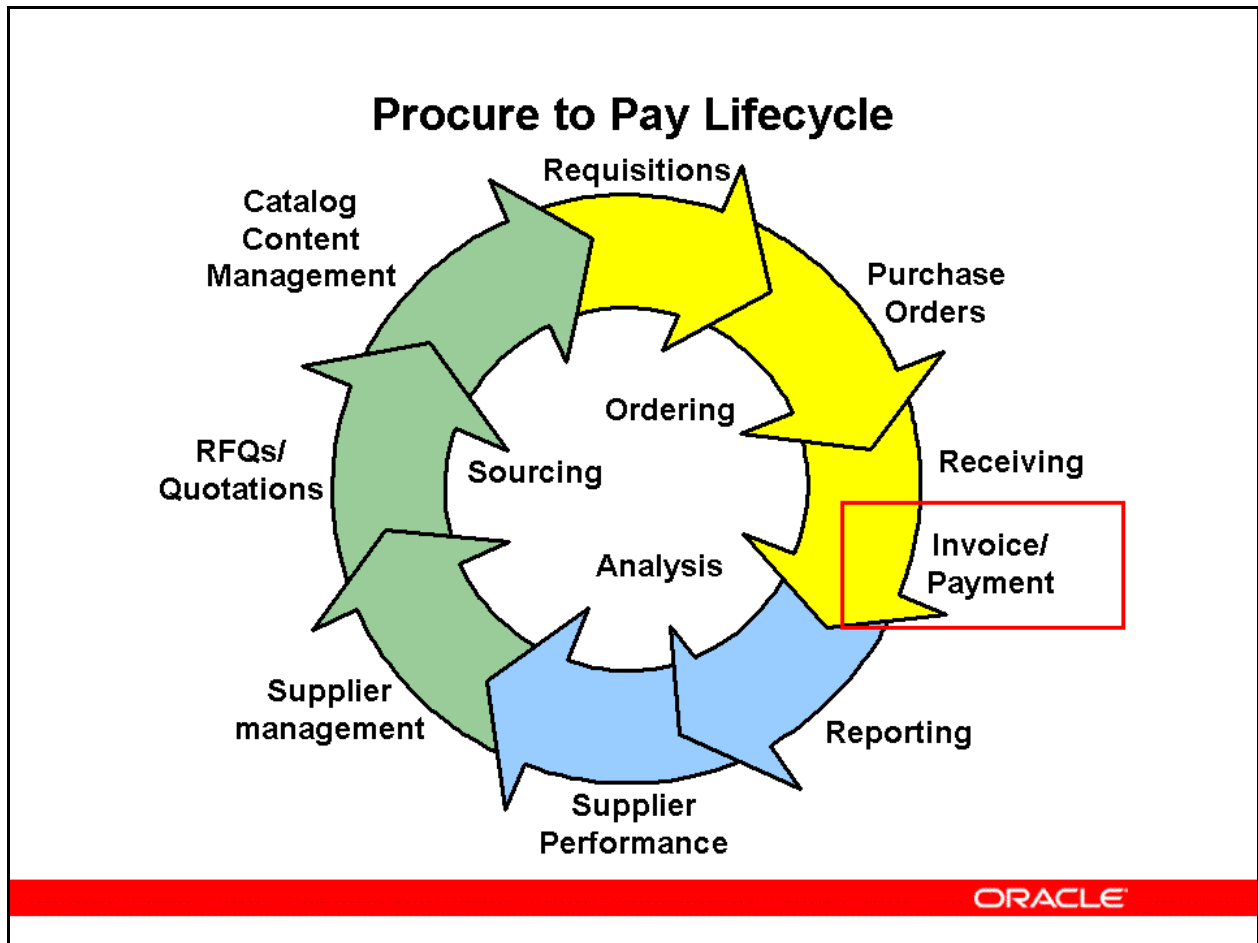
## **Chapter 2**







## Procure to Pay Lifecycle



Procure to Pay Lifecycle

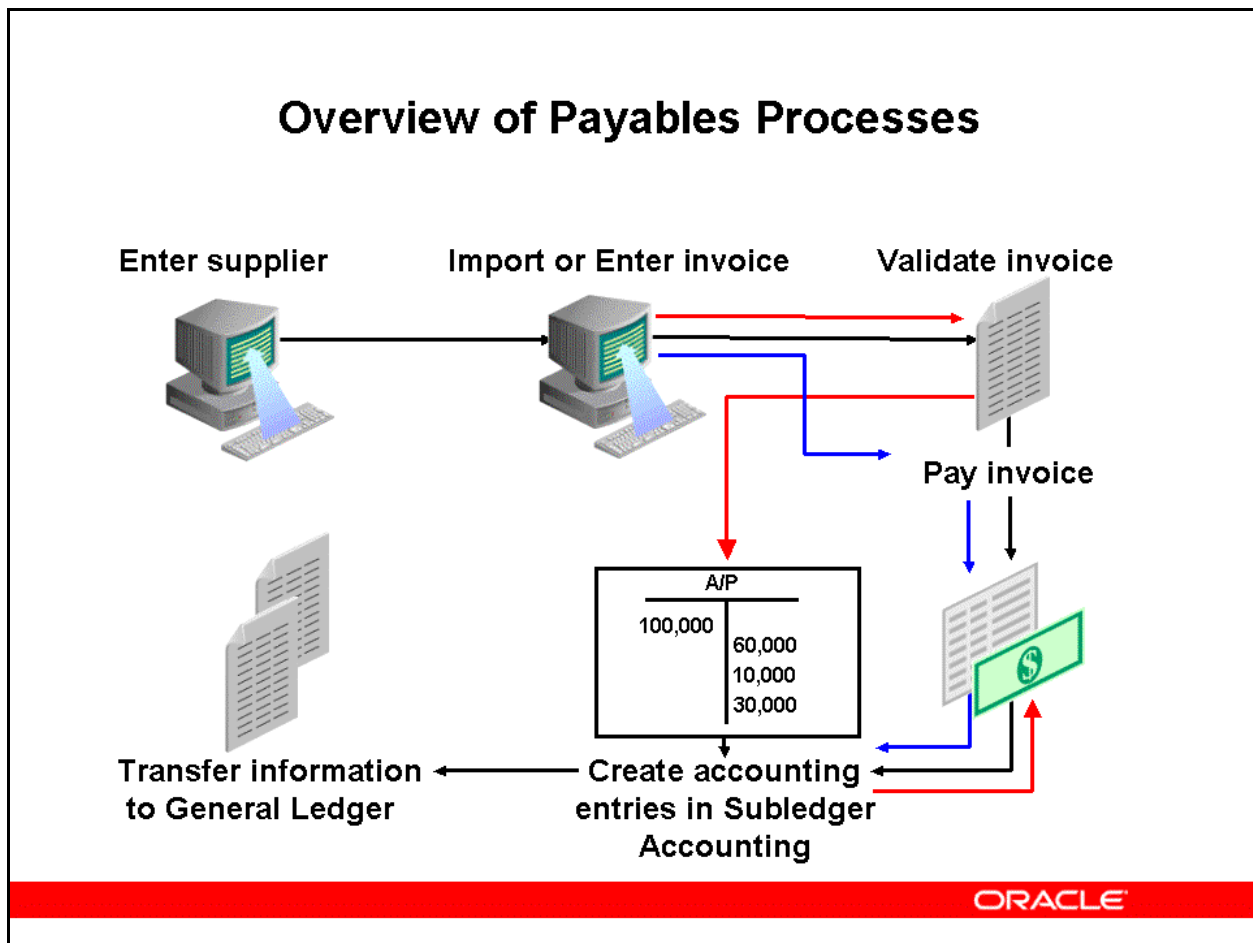
### **Objectives**

After completing this module you should be able to do the following:

- Describe the Payables process flow
- Describe the key areas in the Payables process
- Identify Payables integration points
- Identify Payables open interfaces

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## Overview of Payables Processes



### Overview of Payables Processes

The graphic describes the Payable processes.

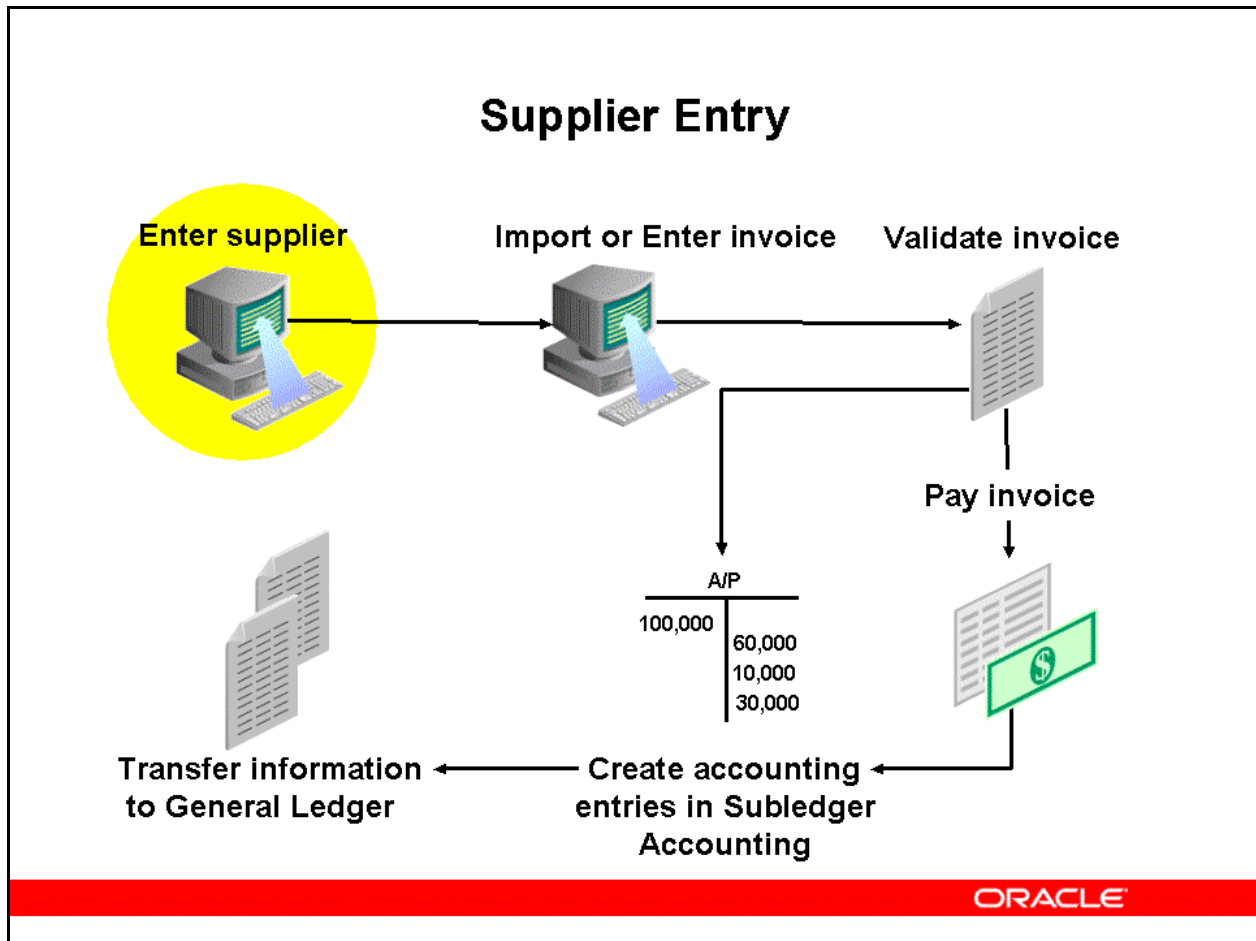
You use Oracle Payables for five major business functions:

- Supplier entry
- Invoice import and or entry
- Invoice validation
- Invoice payment
- Invoice and payment accounting

To enter and pay invoices, first enter suppliers and supplier sites. Payables processes many different invoice types including standard invoices, credit memos, debit memos and expense reports. After invoices are entered and validated, they can be paid.

After invoices are validated or paid, subledger accounting entries are generated in Subledger Accounting and those entries are transferred to General Ledger.

## Supplier Entry



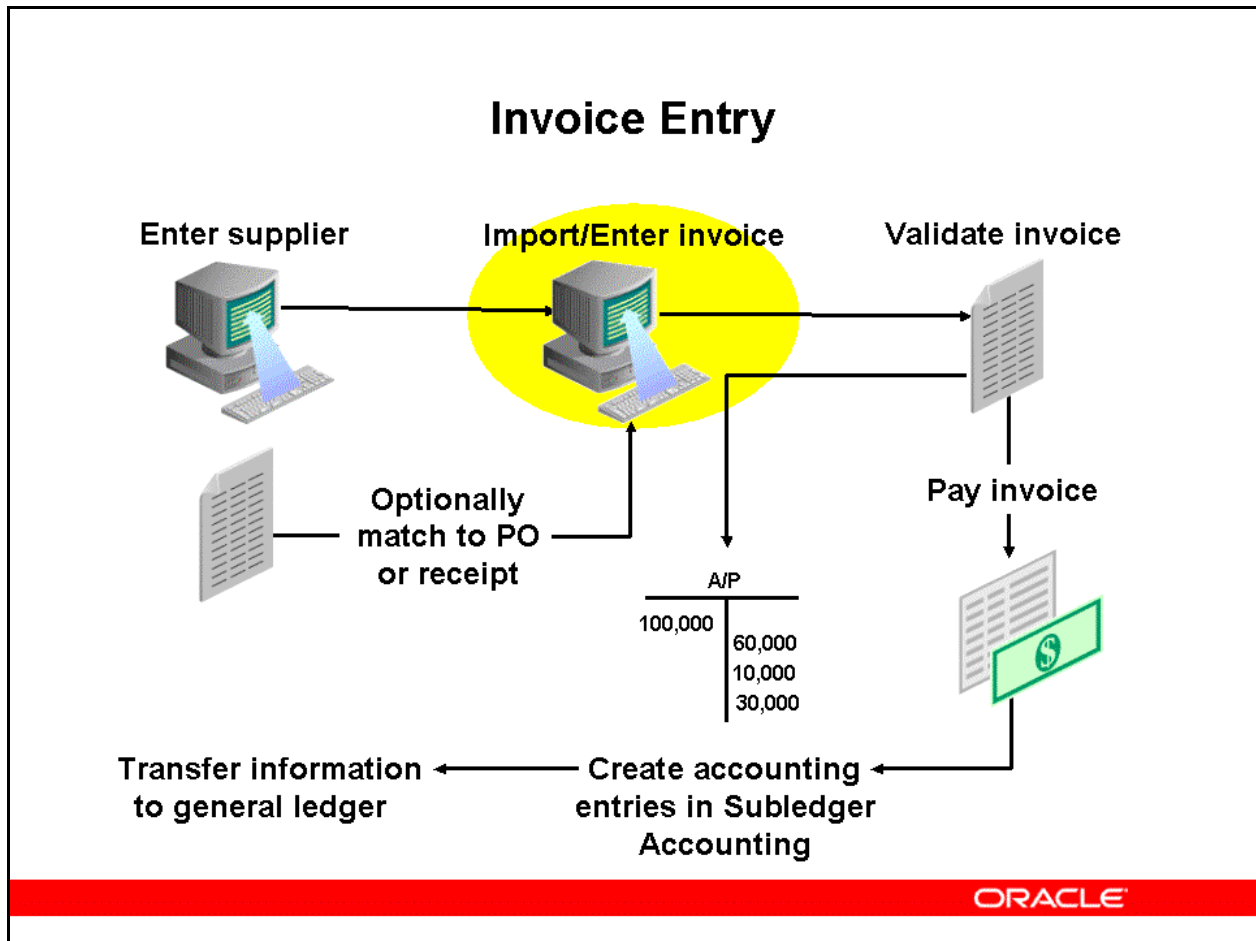
### Supplier Entry

The graphic describes how a supplier is created.

Through Oracle Payables, you can:

- Enter suppliers, their addresses, and business information such as payment terms, payment method, and supplier bank account information.
- Enter supplier sites and related data, which defaults to invoices entered for that site.
- Review supplier information online, such as supplier balance.
- Merge duplicate suppliers.

## Invoice Entry



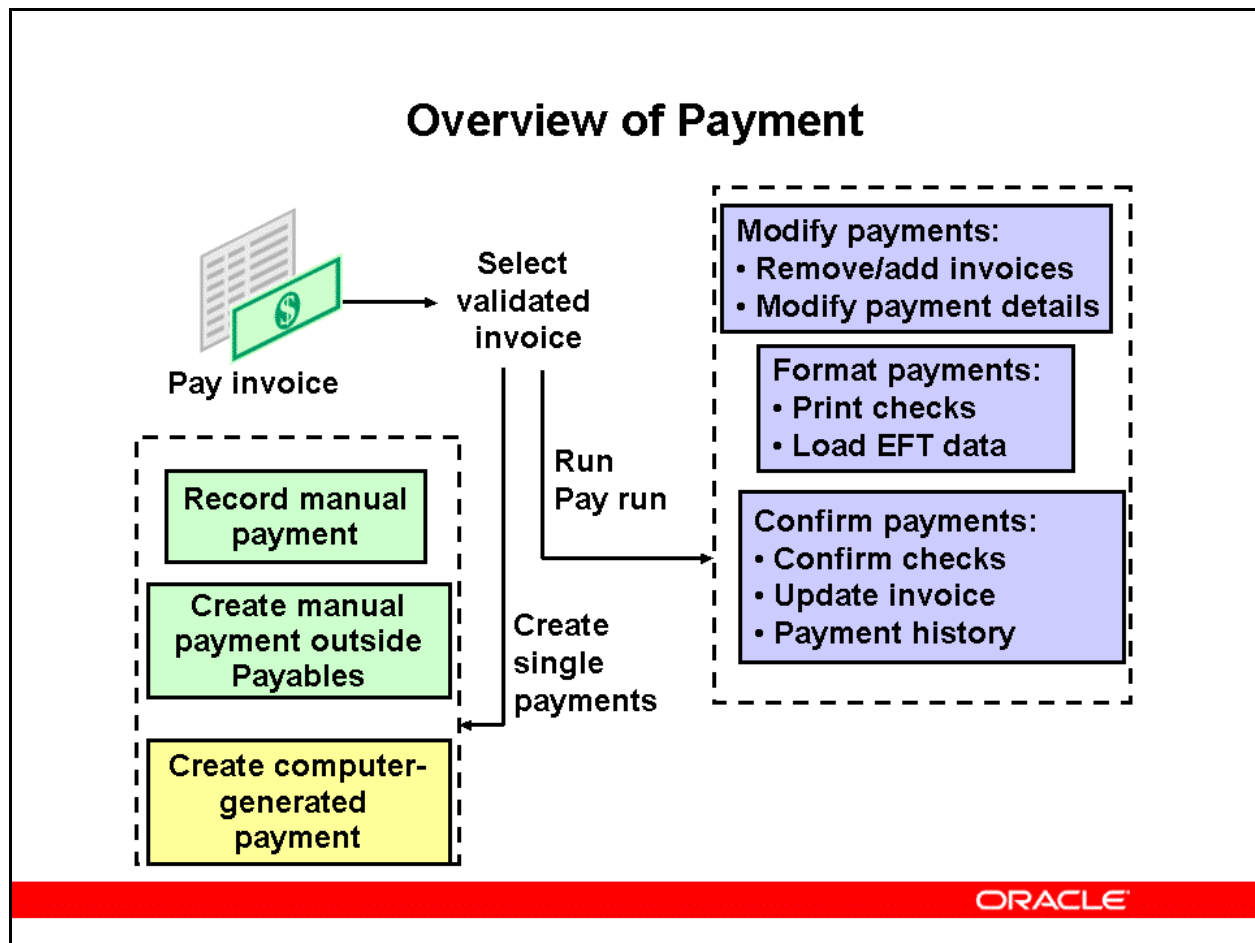
### Invoice Entry

The graphic describes how an invoice is entered.

You can enter invoices through:

- **Manual entry:** Manually enter invoices in the Quick Invoices and Invoices windows.
- **Import:** The Payables Open Interface Import program imports invoices from the Payables Open Interfaces table. This table is loaded by many sources including invoices sent by suppliers in EDI or XML formats, and Oracle applications that load invoices into the Open Interfaces Table such as Oracle Property Manager and Oracle Assets.
- **Automatically generated:** Oracle Payables automatically generates some invoice types including: withholding tax invoices to pay tax authorities, interest invoices, and payment on receipt invoices.
- **Recurring invoices:** You can set up Oracle Payables to generate regularly scheduled invoices such as rent.
- **Matching:** You can match most invoices to purchase orders or receipts. You can group manually entered and imported invoices in invoice batches.

## Overview of Payment



### Overview of Payment

The graphic provides an overview of Payments.

Once invoices are validated, they can be paid. Payables provides the information that you need to make effective payment decisions, stay in control of payments to suppliers and employees, and keep your accounting records up-to-date so that you always know your cash position. Payables handles every form of payment, including checks, manual payments, wire transfers, EDI payments, bank drafts, and electronic funds transfers. Payables integrates with Oracle Payments to define payment methods, and integrates with Oracle Cash Management to support automatic or manual reconciliation of your payments with bank statements sent by the bank.

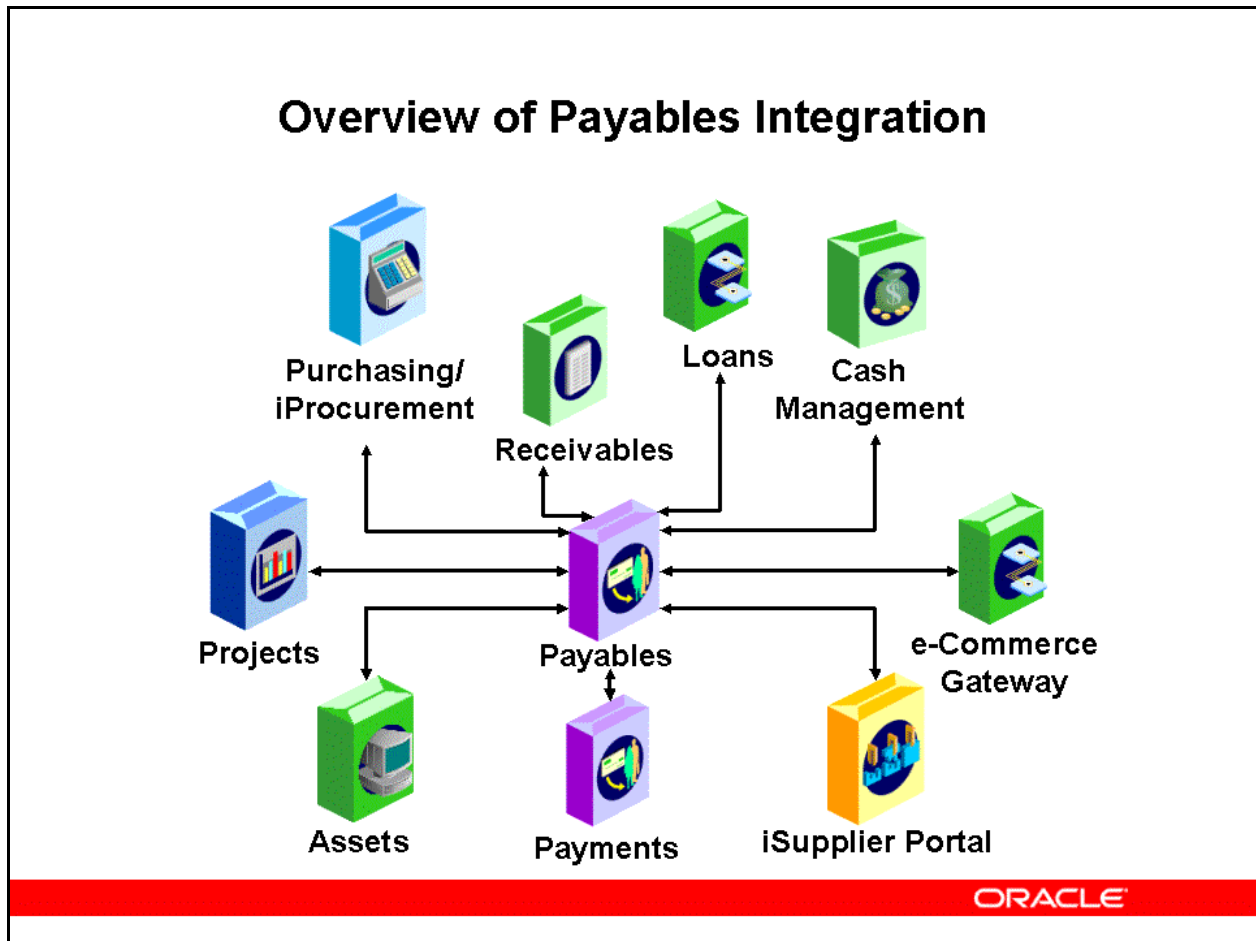
With Payables you can:

- Ensure duplicate invoice payments never occur
- Pay only invoices that are due, and automatically take the maximum discount available
- Select invoices for payment using a wide variety of criteria
- Record stop payments
- Record void payments
- Review information on line on the status of every payment

- Process positive pay



## Overview of Payables Integration



### Overview of Payables Integration

The graphic lists all the applications that Payables integrates with.

#### **Purchasing/iProcurement**

- Accounting from matched purchase orders
- Suppliers
- Procurement cards
- Purchase orders

#### **Receivables**

- Payment Requests
- AR/AP Netting

#### **Loans**

- Payment Requests

#### **Cash Management**

- Banks
- Bank codes
- Payment clearing

- Cash forecasting

**e-Commerce Gateway**

- Inbound 810 (Invoice)
- Outbound 820 (Payment)
- Inbound 857 (Advance Shipping and Billing Notice)
- Outbound 824 (Application advice)

**iSupplier Portal**

- View invoices
- View payments
- Submit invoices
- Update supplier information

**Payments**

- Payment Methods

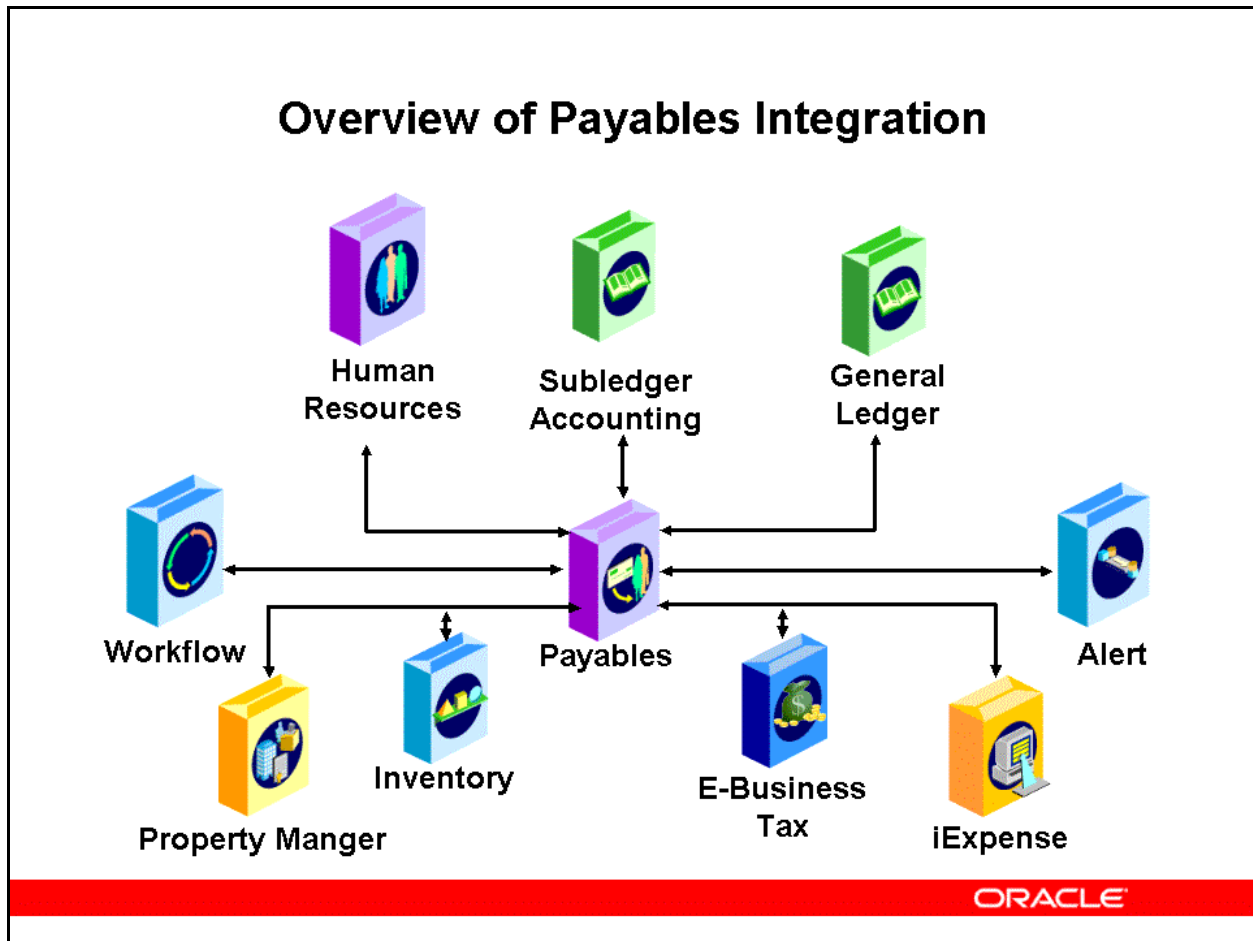
**Assets**

- Invoice distributions for asset purchases

**Projects**

- Project, task, expenditure type, expenditure organization
- Invoice distributions
- Invoice distribution adjustments

## Overview of Payables Integration



### Overview of Payables Integration

The graphic lists the applications Payables integrates with.

#### Human Resources

- Employees (iExpense approval limits)
- Employees (Suppliers)
- Locations

#### Subledger Accounting

- Subledger accounting for invoices, payments and clearing

#### General Ledger

- Ledgers
- Exchange rates
- Accounting flexfield
- Currency

#### Alert

- Standard payables alerts

#### iExpense

- Expense reports

**E-Business Tax**

- Tax rules
- Transaction tax

**Inventory**

- Units of measure
- Item information

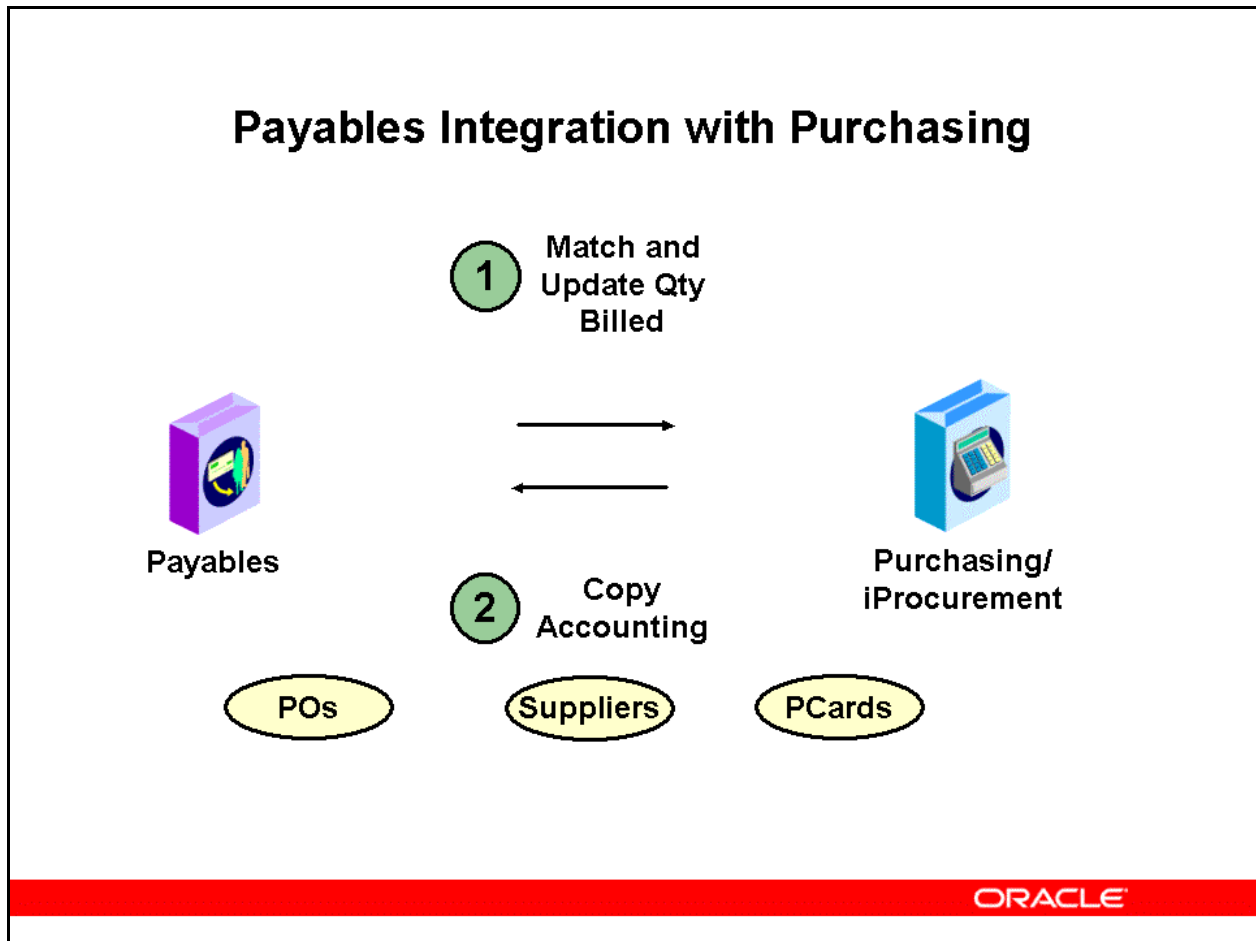
**Property Manager**

- Suppliers
- Invoices (for lease payments)

**Workflow**

- Validate and approve imported invoices and invoices entered in iSupplier Portal
- Procurement cards
- Credit cards
- Expense reports

## Payables Integration with Purchasing



### Payables Integration with Purchasing

The graphic describes Payables integration with Oracle Purchasing.

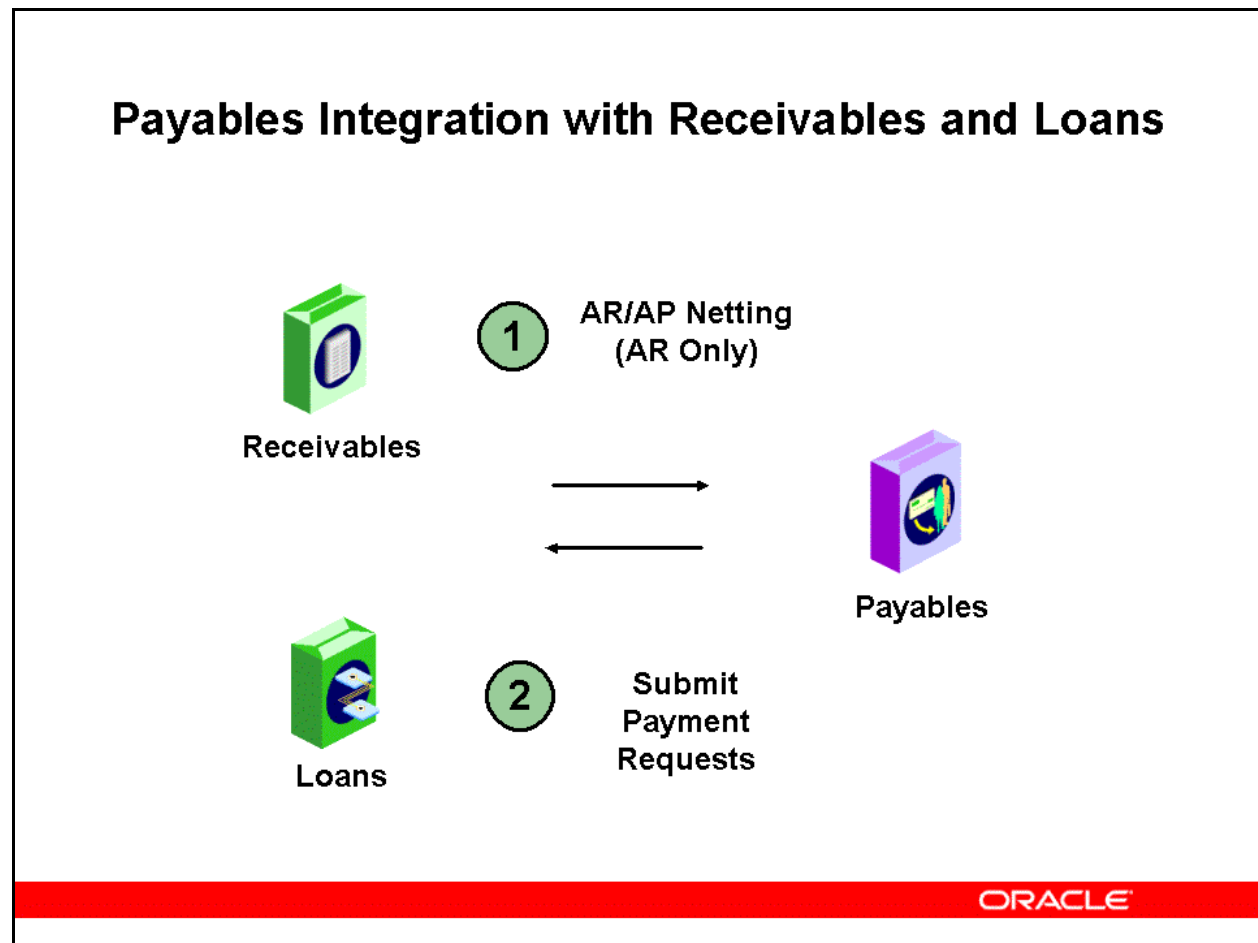
#### Match and Update Qty Billed (1)

Enter an invoice and match it to a purchase order to update the quantity billed against the purchase order.

#### Copy Accounting (2)

During the match process, accounting stored with the purchase order distribution is copied to the invoice.

## Payables Integration with Receivables and Loans



### Payables Integration with Receivables and Loans

The graphic describes Payables integration with Oracle Receivables and Oracle Loans.

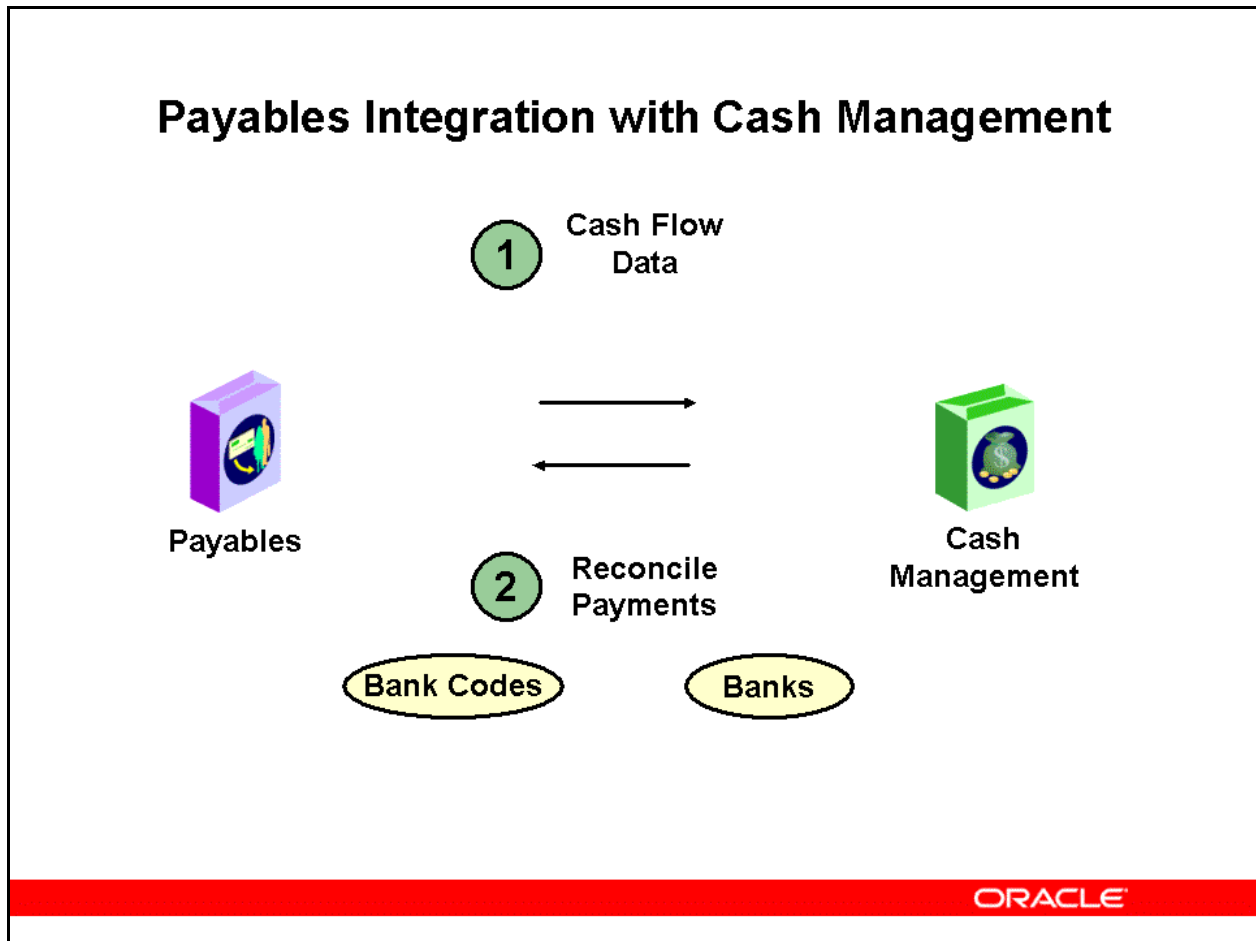
#### **AR/AP Netting (1)**

The Payables and Receivables Netting feature enables the automatic netting of Payable and Receivable transactions within a business enterprise. You can predefine a netting agreement that incorporates the netting business rules and transaction criteria needed to run your tailored netting process. The netting process automatically creates the Payables payments and Receivables receipts required to clear a selected number of Payables and Receivables transactions.

#### **Payment Requests (2)**

You can submit requests for payment from Oracle Receivables and Oracle Loans. These requests are considered Payment Request Invoices. You can then use standard Payables features, such as invoice approval workflow, to process the payment request.

## Payables Integration with Cash Management



### Payables Integration with Cash Management

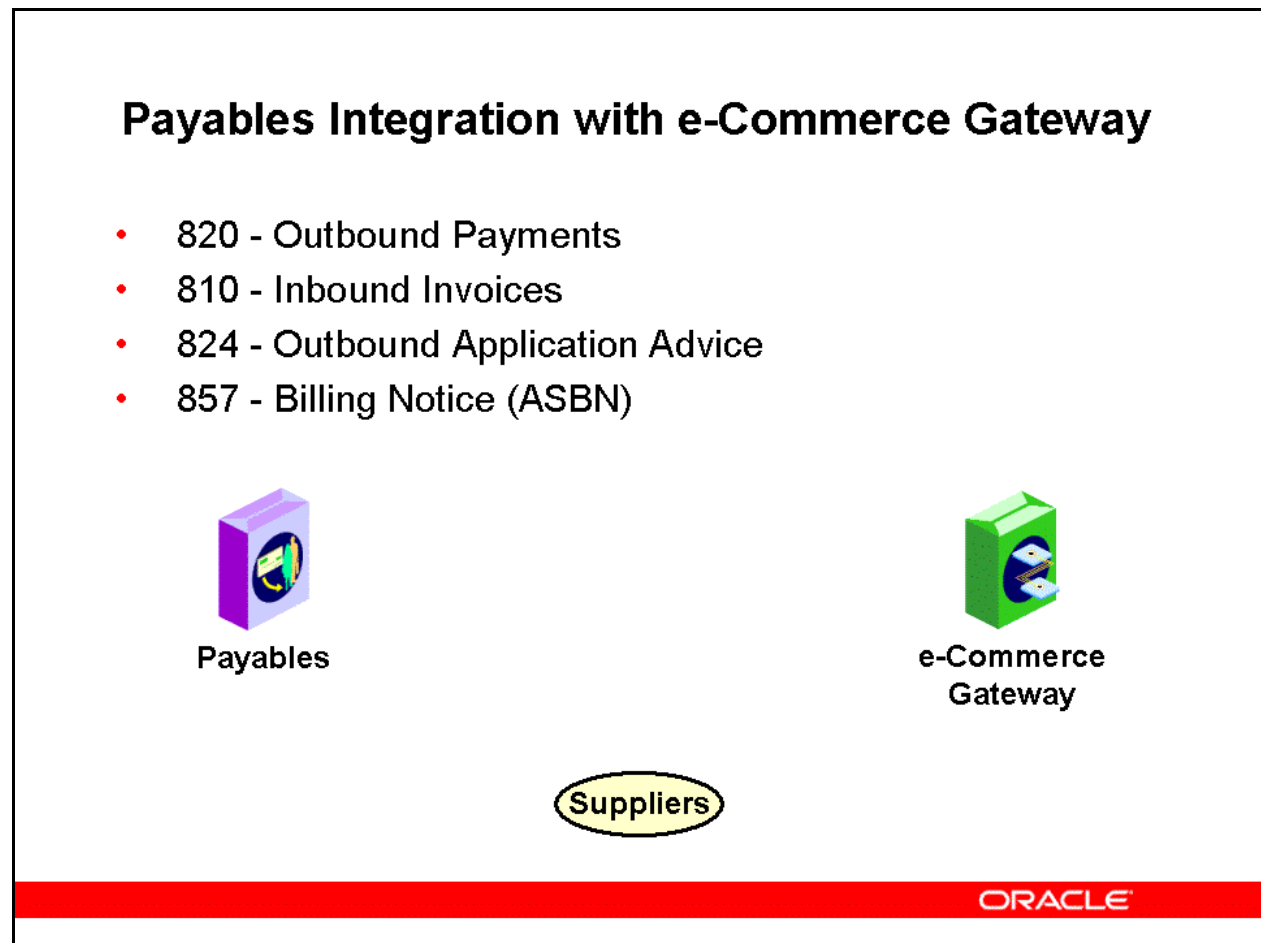
The graphic describes Payables integration with Oracle Cash Management

#### Cash Flow Data (1)

Cash outflows (payments) and inflows (refunds) are used to create cash forecasts.

#### Reconcile Payments (2)

Use Cash Management to manually clear payments or import bank statements and automatically clear payments.



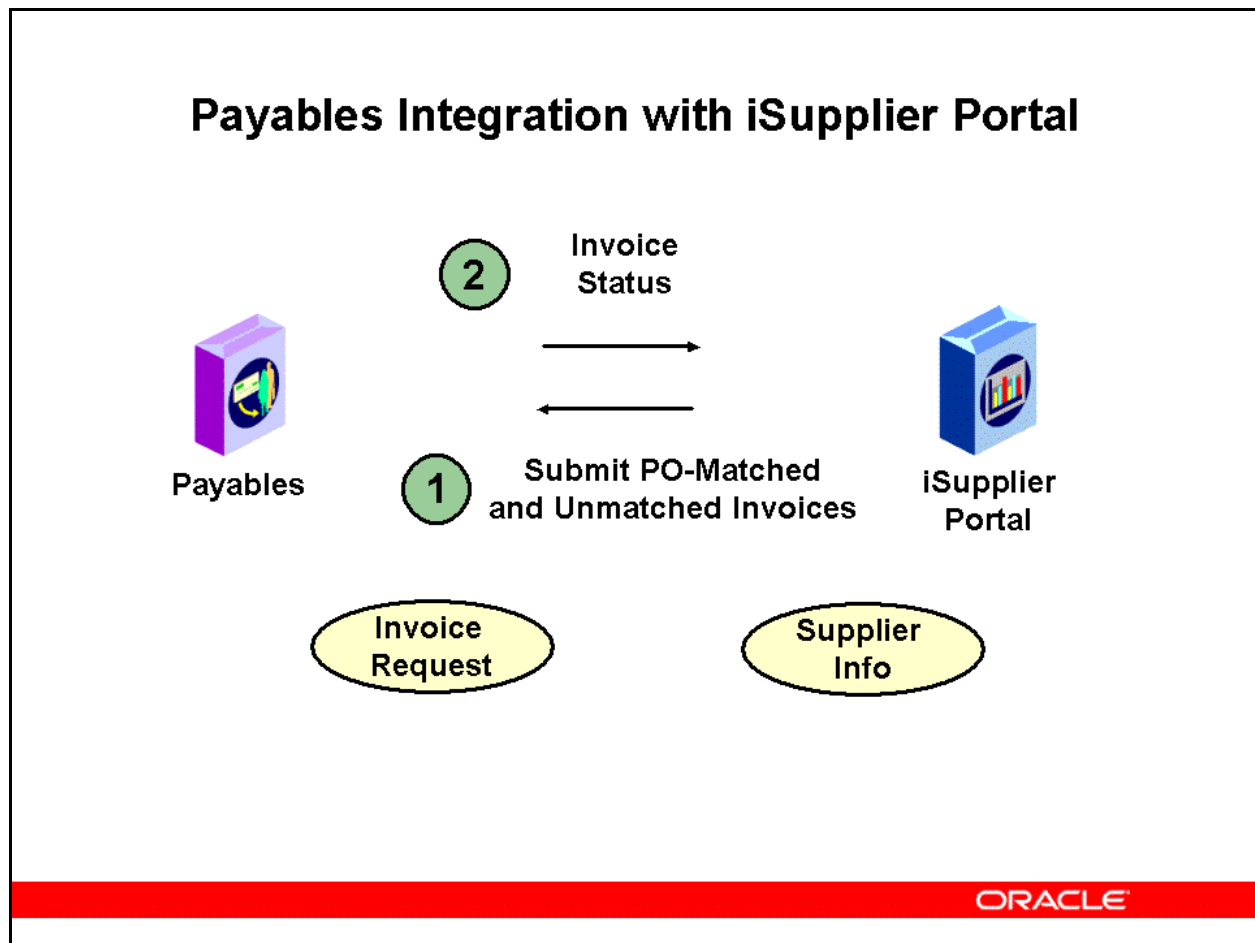
### Payables Integration with e-Commerce Gateway

The graphic describes Payables integration with e-Commerce Gateway.

Payables integrates with e-Commerce Gateway for exchanges of several EDI transactions. The e-Commerce Gateway can extract payments, load invoices, load billing notices from an Advance Shipping and Billing Notice (ASBN) and create application advices to inform trading partners about events like duplicate invoices.



## Payables Integration with iSupplier Portal



### Payables Integration with iSupplier Portal

The graphic describes Payables integration with the iSupplier Portal.

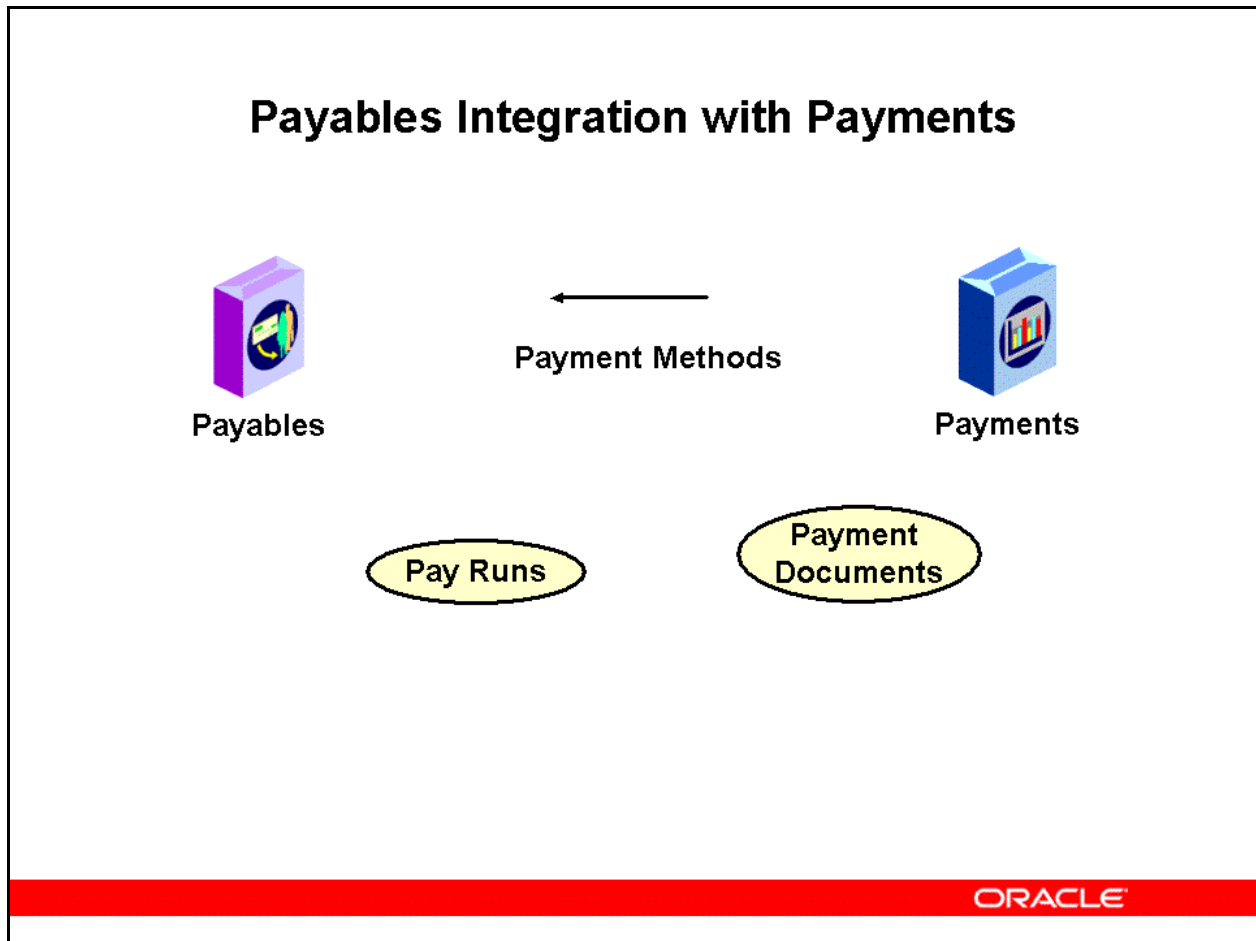
#### **Submit PO-Matched and Unmatched Invoices (1)**

Suppliers who have been granted an iSupplier Portal account can submit PO-Matched and Unmatched Invoices for approval. Payables considers Invoices that are submitted through iSupplier Portal, "Invoice Requests". Invoice Requests must be approved using the Invoice Approval Workflow before they become standard invoices in Payables.

#### **Invoice Status (2)**

When a supplier submits an invoice through iSupplier Portal, the supplier can use iSupplier Portal to view the current status of the invoice. In addition, suppliers can update their address and contact information as required.

## Payables Integration with Payments



### Payables Integration with Payments

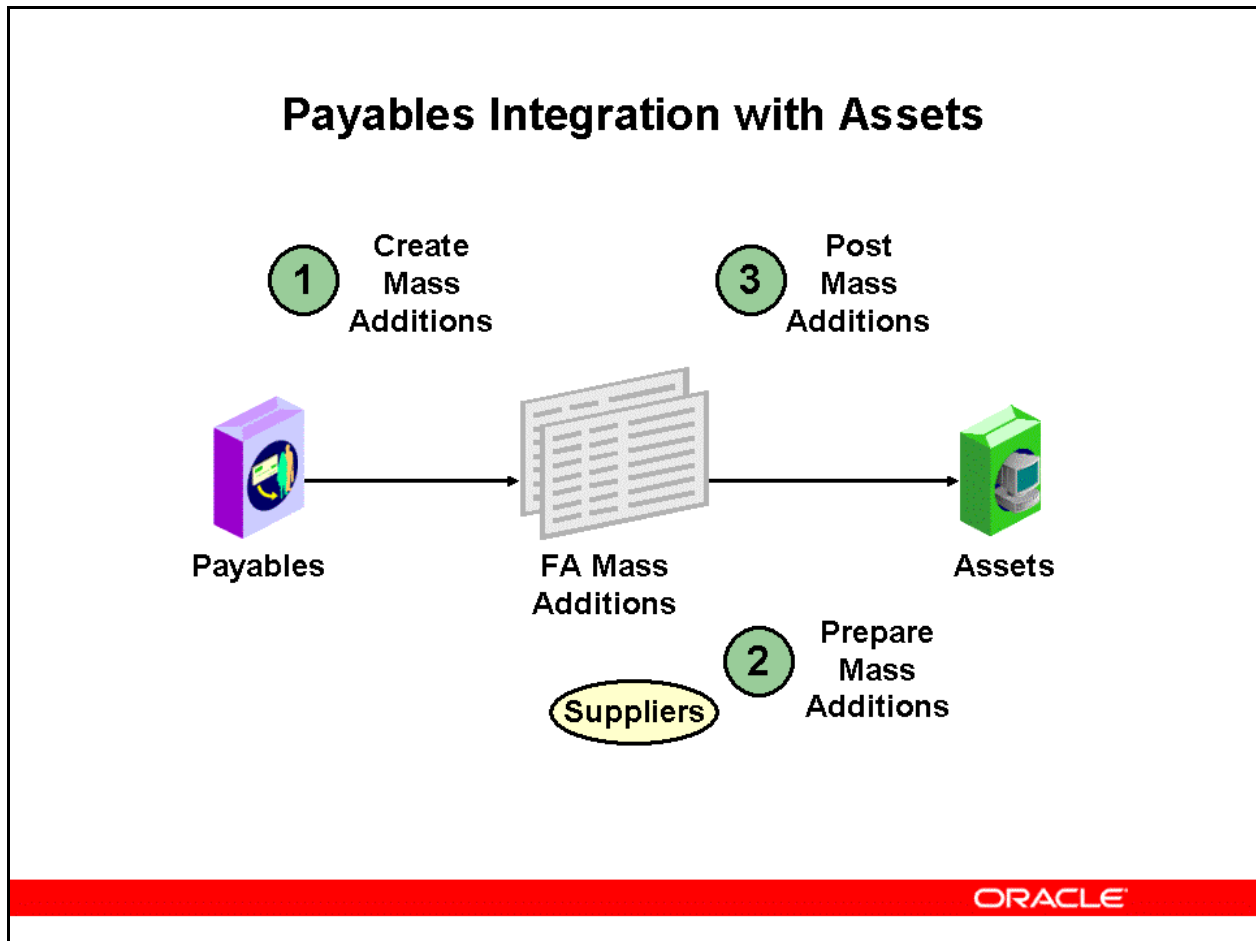
The graphic describes Payables integration with Oracle Payments.

#### Payment Methods

Use Oracle Payments to set up the payment methods used to disburse funds to standard and employee suppliers.

You can also choose to use the payment document and pay run functionality provided by Payments.

## Payables Integration with Assets



### Payables Integration with Assets

The graphic describes Payables integration with the Assets.

#### Create Mass Additions (1)

Run the Mass Additions Create program after payables invoice distributions have been transferred from Subledger Accounting to General Ledger (although the journals do not need to be posted). To be transferred, invoice distributions must:

- Be transferred to General Ledger
- Have a clearing account associated with an asset category
- Have the track as asset flag checked
- Have a GL Date on or before the date you specify when running the process will be transferred to the FA\_Mass\_Additions table.

#### Prepare Mass Additions (2)

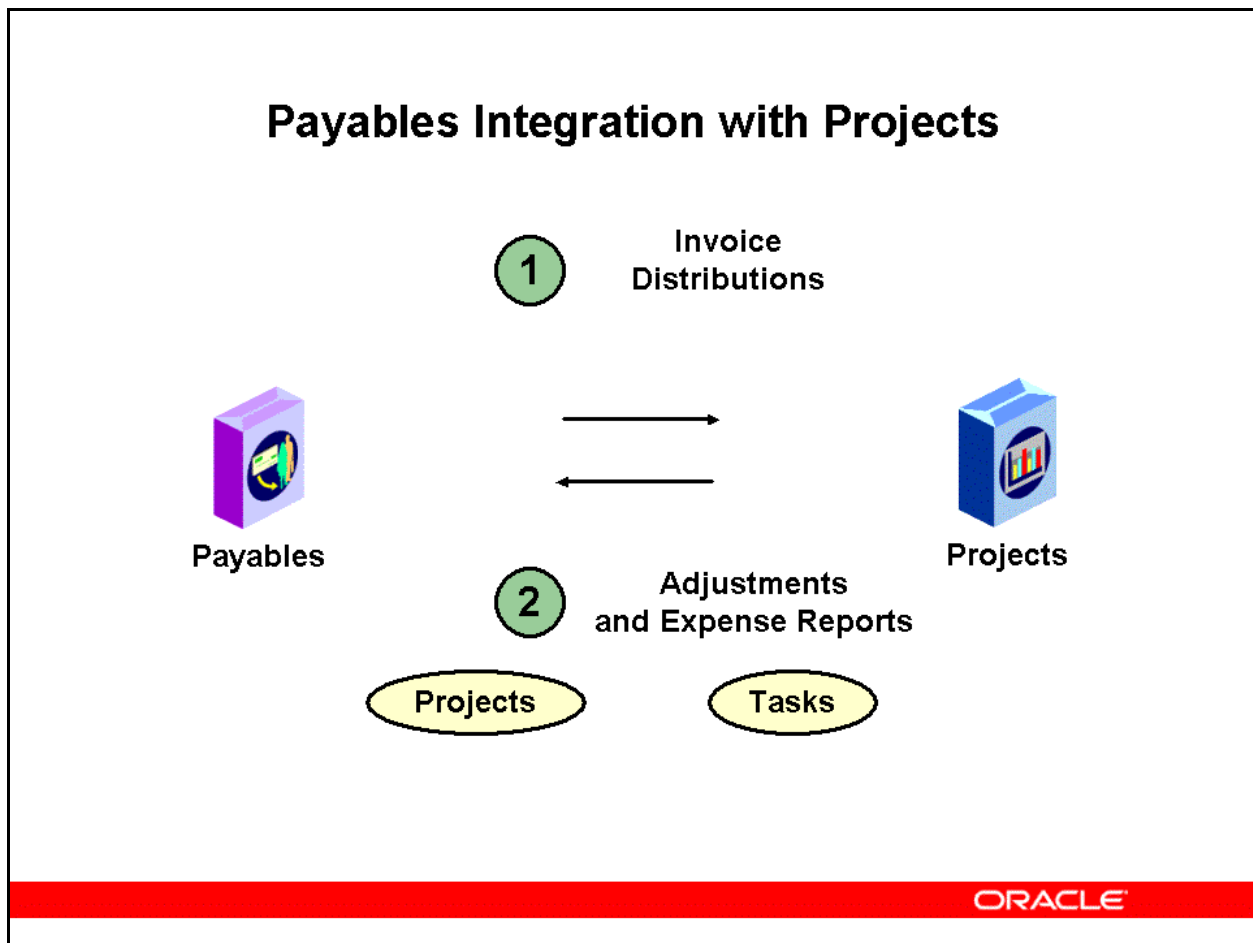
Prepare transferred invoice distributions to become assets. You can perform tasks like merging and splitting invoice distributions. For example, you may purchase 10 computers, 10 warranties and 10 software licenses on three separate invoices. You can merge the computers with the warranties and licenses and subsequently split them into 10 different assets with unique asset numbers (each asset would represent 1/10 the cost of the

warranties, 1/10 the cost of the computers and 1/10 the cost of the licenses). This program is run in Oracle Assets.

### **Post Mass Additions (3)**

Use the Post Mass Additions to Assets program to create assets from mass addition lines in with a queue of POST using the data you entered in the Mass Additions window. This program is run in Oracle Assets.

## Payables Integration with Projects



### Payables Integration with Projects

The graphic describes Payables integration with Oracle Projects.

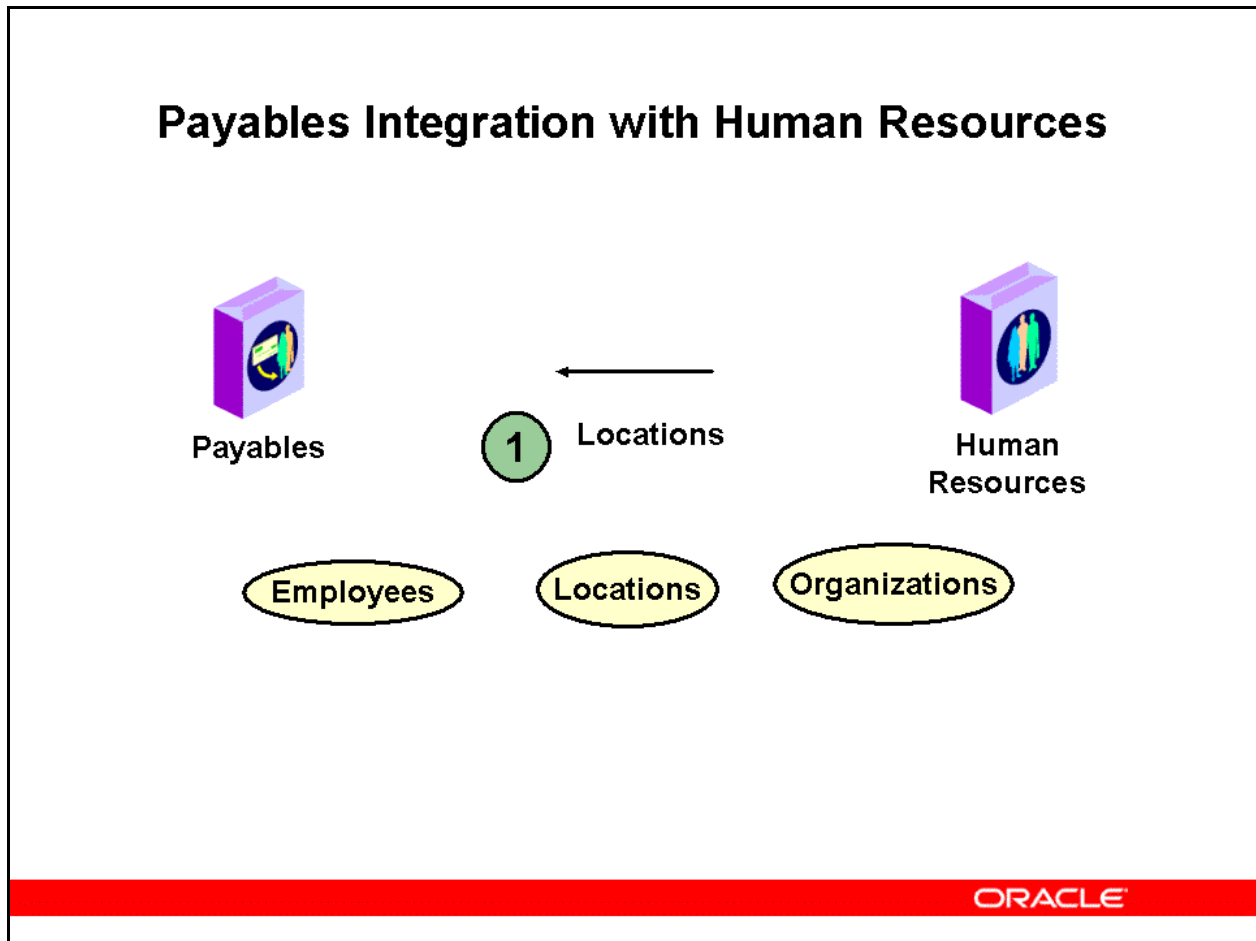
#### Invoice Distributions (1)

Use the PRC: Interface Supplier Costs process after payables invoice distributions have been transferred to General Ledger (although the journals do not need to be posted), to move project related invoice distributions from Subledger Accounting to Projects. The process is run from a Projects responsibility.

#### Adjustments and Expense Reports (2)

If you make any adjustments to expense report expenditure items in Oracle Projects, you do not interface the adjustments to Oracle Payables. Instead, you send the adjustments to Oracle Subledger Accounting. You can still enter project-related expense reports in Oracle Internet Expenses and Oracle Payables. In addition, you can import costed and accounted expense reports into Oracle Projects using transaction import.

## Payables Integration with Human Resources

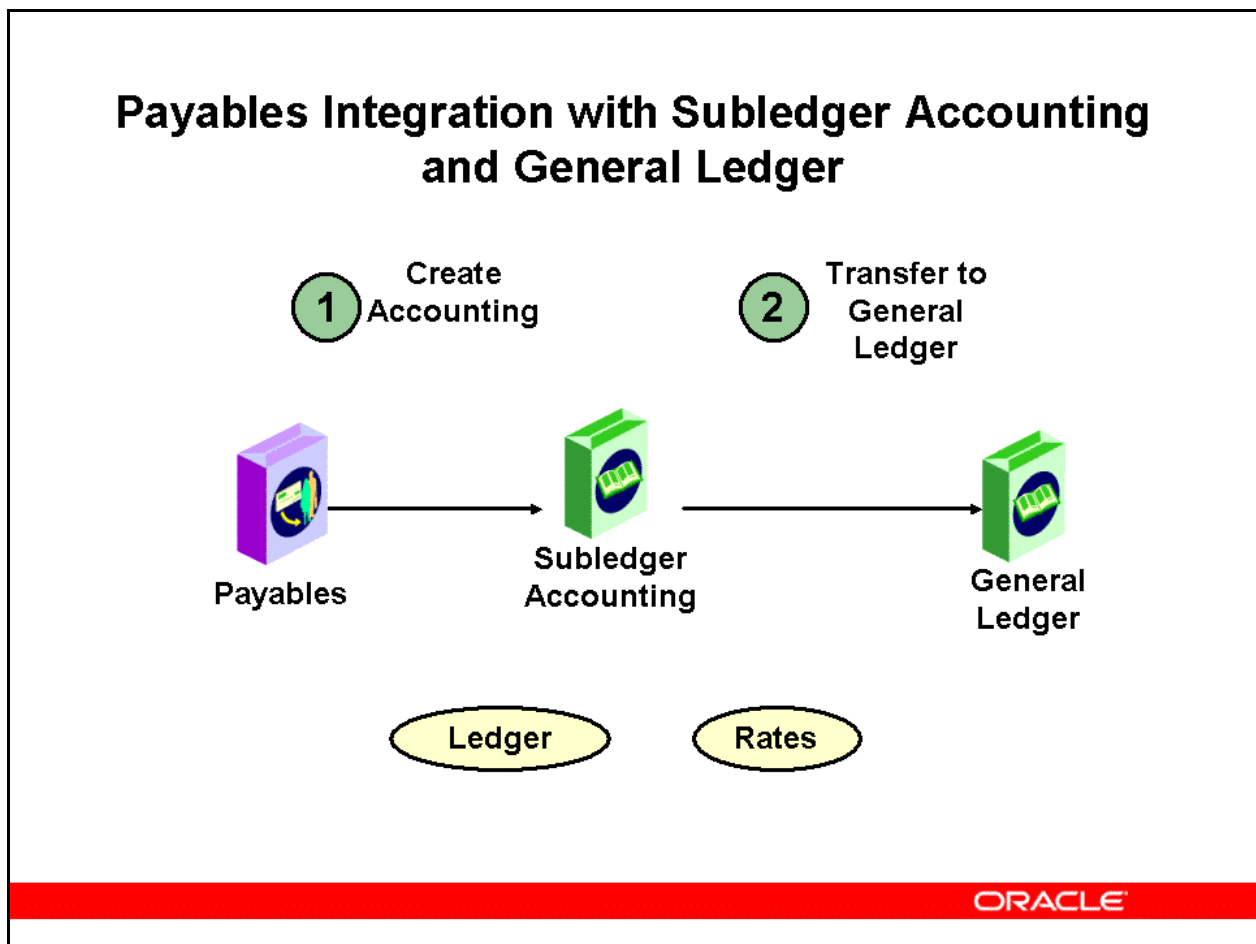


### Payables Integration with Human Resources

The graphic describes Payables integration with Human Resources.

To enter an expense report using iExpenses or the Payables Expense Report window, you use employees that are predefined and shared with Human Resources. To create an invoice from an expense report, you must set up a supplier and link it to an employee. You either set the supplier up manually or allow Payables to do it automatically during expense report import. When Payables creates a supplier from an employee, either the home location or the office location is used to create the address associated with the Pay Site.

## Payables Integration with Subledger Accounting and General Ledger



### Payables Integration with Subledger Accounting and General Ledger

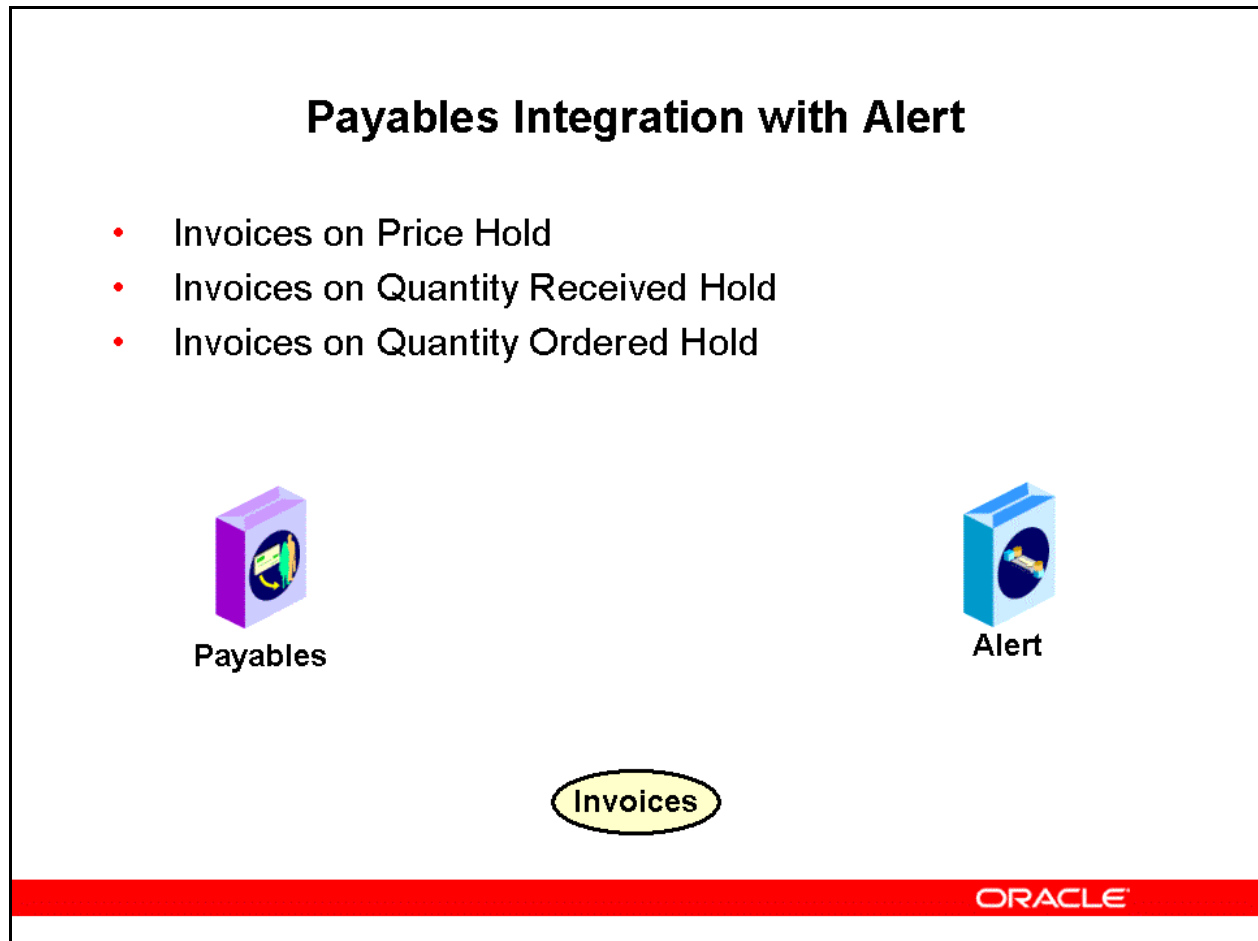
The graphic describes Payables integration with Subledger Accounting and General Ledger..

#### **Create Accounting (1)**

Create subledger accounting entries online or manually using the Create Accounting concurrent program.

#### **Transfer to General Ledger (2)**

Transfer subledger accounting entries from Subledger Accounting into General Ledger. The Post process in General Ledger updates account balances. Once ledgers are posted, you can perform account analysis, subledger drill down and run financial statements.



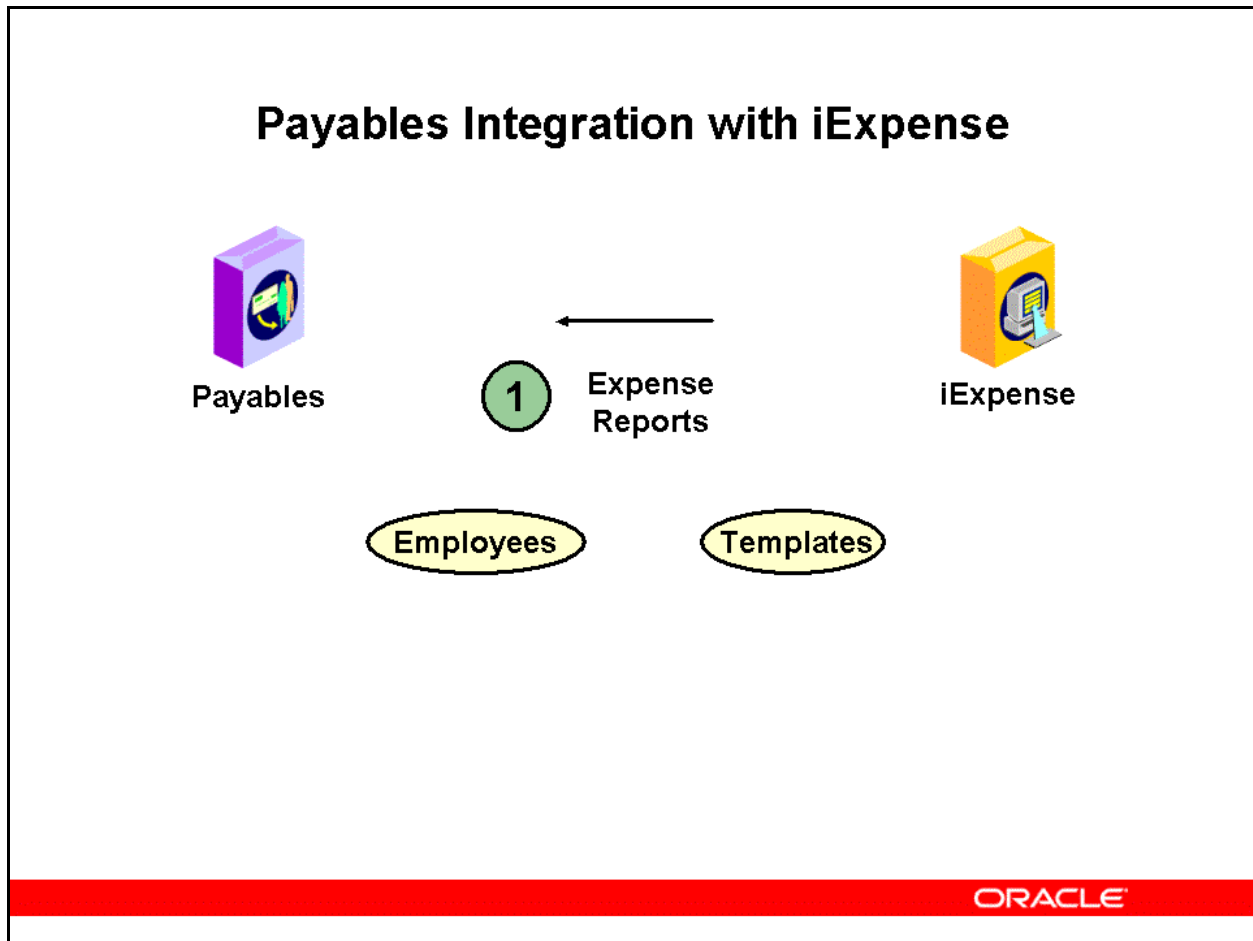
### Payables Integration with Alert

The graphic describes Payables integration with Alert.

Several Oracle Applications products, including Payables, use Alert to provide online exception reporting capability. You can integrate Alert with your electronic mail system. Payables supplies you with several pre-coded alerts that you can use with or without customizing.



## Payables Integration with iExpense



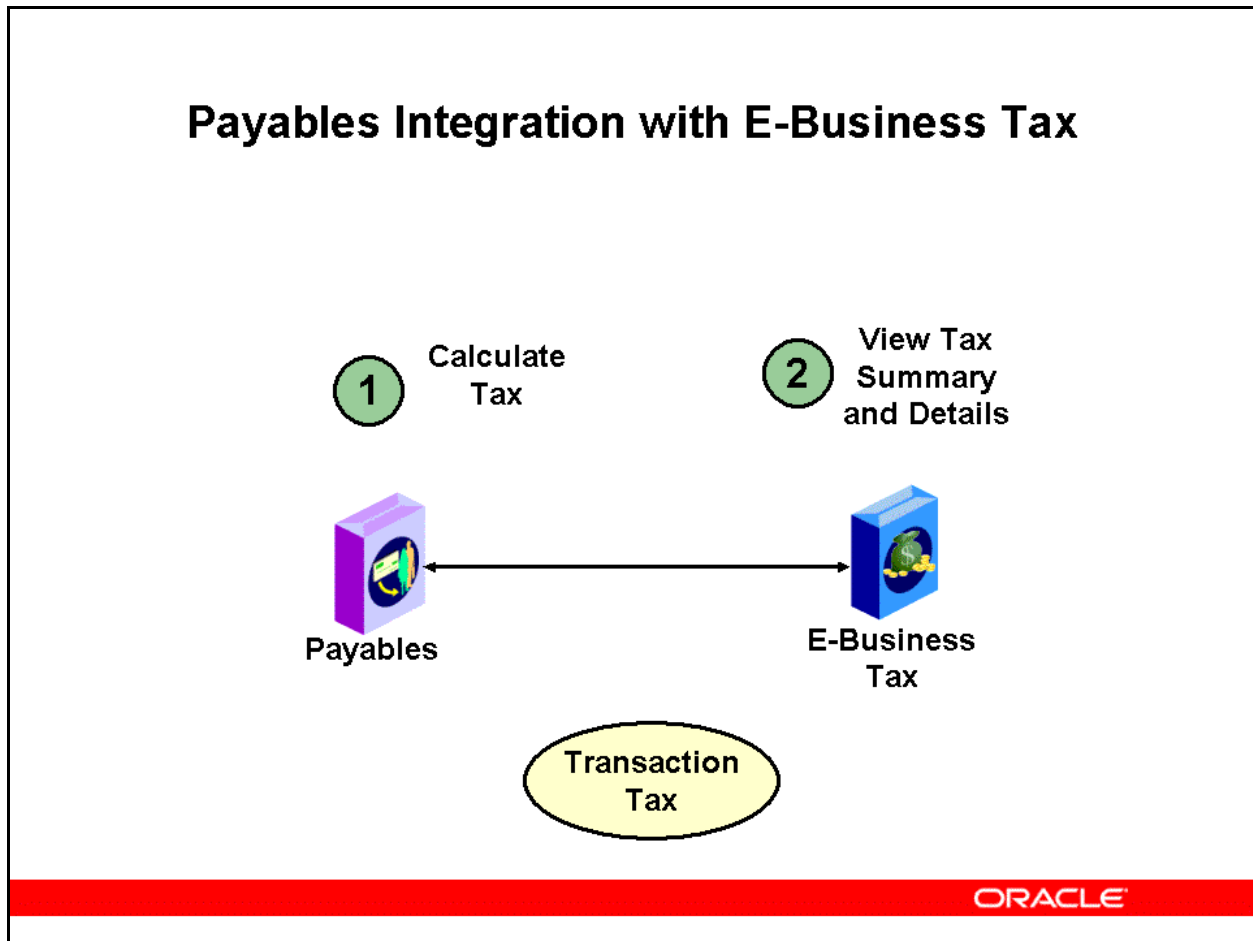
### Payables Integration with iExpense

The graphic describes Payables integration with iExpense.

Employees can create and submit expense reports using either the standard (web browser) or disconnected (Excel spreadsheet) expense reporting methods. Managers review expense reports online and can approve them or reject them. Predefined spending limits are associated with managers who approve expense reports.

If the manager has sufficient spending authority, the expense report can be approved. If the manager does not have sufficient spending authority, a notification is sent to forward the expense report through the employee/supervisor hierarchy (position hierarchies are not available) until it is approved or rejected.

When the expense report is approved, it is sent to the the Accounts Payable department for receipt review if any expenditures require original receipts. Once approved by management and the Accounts Payable department (if required), the Payables Invoice Import process converts the expense report into a standard invoice.



### Payables Integration with E-Business Tax

The graphic describes Payables integration with E-Business Tax.

Oracle Payables integrates with Oracle E-Business Tax, the Oracle Applications tax engine, to provide tax services for invoices. With this integration, E-Business Tax provides a central repository for your invoice tax requirements. E-Business Tax does *not* provide tax services for Withholding Taxes or 1099 Income Taxes. E-Business Tax provides tax services for the following categories of Payables invoices:

- **Standard Invoices** - includes Standard, Mixed, PO Price Adjustment, Credit Memos, and Debit Memos
- **Prepayment Invoices**
- **Expense Reports**

Each of these categories maps to an *event class* in E-Business Tax.

E-Business Tax uses your tax setups as well as information from the invoice header and line level (the *tax drivers*) to determine the applicable taxes, tax statuses, tax rates, taxable basis, calculations, rounding, and tolerance for each invoice. The tax drivers E-Business Tax uses to calculate taxes can differ depending on the category of invoice and the parties involved. For example, for a Standard invoice in the U.S., the Location ID and Place of Supply on the invoice are used to determine the applicable State and County Sales Taxes.

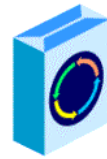
For more information see the tax module or the *E-Business Tax User Guide*.

### Payables Integration with Workflow

- Credit Card
- Expense Report Approvals
- Open Interface Import
- Procurement Card Emp. Verification
- Procurement Card Mgr. Approval Transaction
- Invoice Approval Workflow



Payables



Workflow

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### Payables Integration with Workflow

The graphic describes Payables integration with Workflow.

#### **Credit Card workflow**

The Credit Card Transaction Manager Workflow is a predefined workflow that you can initiate to notify managers of transactions incurred by their direct reports. The Credit Card Transaction Manager Workflow determines if workflow will notify a manager of transactions created by the manager's employee's credit card, and it determines if the manager must approve the transactions.

#### **Expense Report workflow**

The Manager (Spending) Approval Process in the Expense Reporting workflow uses the signing limits you define to determine which manager has authority to approve expense reports.

#### **Open Interface Import workflow**

Add custom procedures to this workflow to validate invoices entered in the Quick Invoices window. Run the process that starts the workflow prior to running the Payables Open Interface Import program.

#### **Procurement Card Employee Verification workflow**

If activated, this workflow sends notifications to employees related to their procurement card transactions. Depending on how the procurement cards are set up, the employee may be required to verify expenditures.

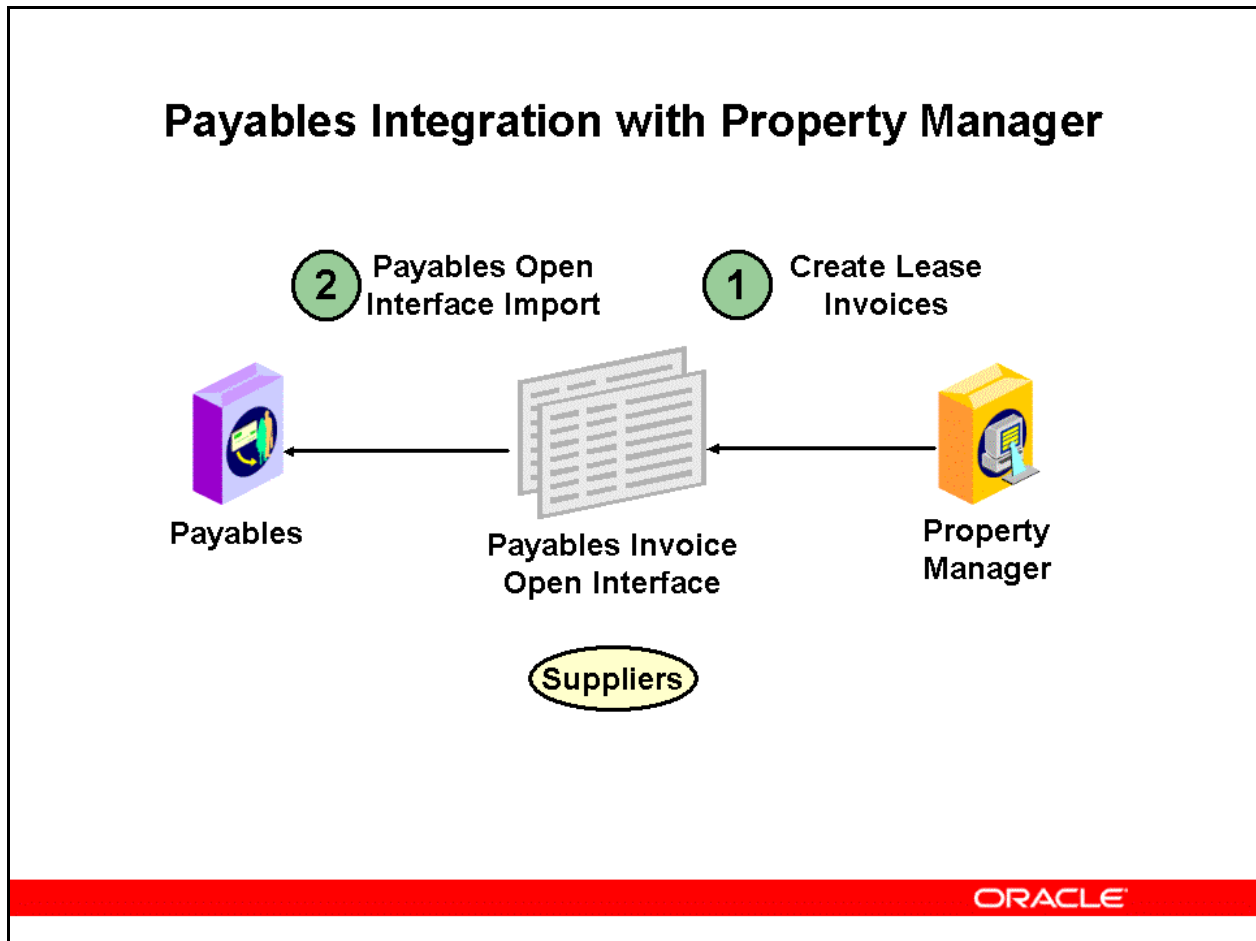
**Procurement Card Manager Approval transaction workflow**

If activated, this workflow sends notifications to managers to approve employee procurement card transactions.

**Invoice Approval Workflow**

The Invoice Approval Workflow automates your invoice approval process. Based on rules you define, the workflow determines if an invoice or invoice line needs approval, who the approvers are, and in what order approvers should approve payment of the invoice. The workflow then sequentially asks each approver in the approval list to approve invoices online. For example, you can define a rule so invoices over \$100,000 require CFO approval and then CEO approval.

## Payables Integration with Property Manager



### Payables Integration with Property Manager

The graphic describes Payables integration with Property Manager.

All lease payments that you approve can be exported to Payables as standard invoices.

#### **Lease Invoices (1)**

Run a process in Property Manager to create lease invoices in the Payables Invoice Open Interface.

#### **Payables Open Interface Import (2)**

Run the Payables Open Interface Import process to validate and create invoices that can be paid.

## Multiple Organization Access Control

### Multiple Organization Access Control

If you implement Multiple Organization Access Control, you can:

- Enter invoices for multiple operating units without switching responsibilities.
- Pay invoices for multiple operating units in a single pay run.



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### Multiple Organization Access Control

The graphic describes multiple organization control in Payables.

Oracle Payables leverages Oracle Applications' Multiple Organization Access Control feature. Multiple Organization Access Control (MOAC) lets you define multiple organizations and the relationships among them in a single installation of Oracle Applications. These organizations can be ledgers, business groups, legal entities, operating units, or inventory organizations.

#### Implement Multiple Organization Access Control

- If you implement MOAC, you can enter invoices for multiple operating units without switching responsibilities. To enter an invoice for an operating unit, enter a value in the Operating Unit field of the Invoices window (part of the Invoice Workbench). Each invoice must be for a single OU, but you can enter multiple invoices for different OUs, without changing responsibilities.
- Pay invoices for multiple operating units in a single pay run.

#### Set Up Multiple Organization Access Control

To set up MOAC, define the following profile options:

- **MO Security Profile:** This option controls the list of operating units that a responsibility or user can access. So you would assign the Security Profile that you just created to this profile option. If you set the this option at the responsibility level, then all users using that

responsibility will have access to only the operating units available in the security profile. If you set this option at the user level, then the user will have access to only those operating units, irrespective of the applications responsibility that they log into.

- **MO: Default Operating Unit:** This option allows you to specify a default operating unit that will be the default when you open different subledger applications (Payables, Receivables, and so on) pages. Because users can access multiple operating units, you may want to set up a default one instead of forcing users to constantly have to choose one. With User Preferences, you can also specify a default operating unit at the user level. This profile option is optional.
- **MO: Operating Unit:** This option provides backwards compatibility and supports products that do not use MOAC. If you specify a security profile for the MO: Security Profile, then those products that use MOAC will ignore this option.

For details on multiple organization setup, see: *Oracle Applications Multiple Organizations Implementation Guide*.



### Open Interfaces

Use the following open interfaces to import data into Payables from other applications or third-party solutions:

- Payables Open Interface
- Payables Expense Report Open Interface
- Payables PCard Open Interface
- Payables Credit Card Open Interface
- Payables Matching Open Interface
- Payables Supplier Open Interface

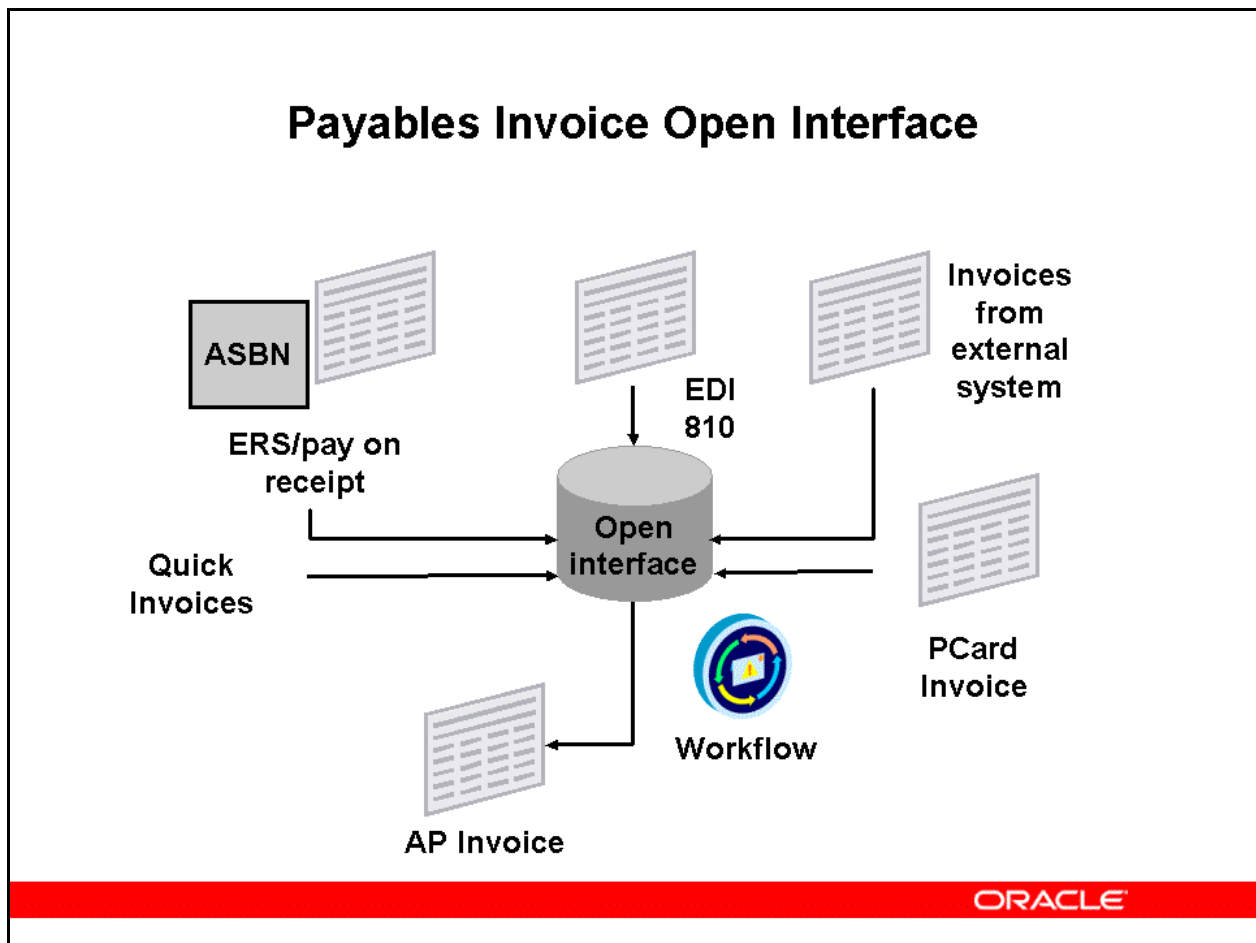
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### Open Interfaces

Use the following open interfaces to import data into Payables from other applications or third-party solutions:

- Payables Open Interface
- Payables Expense Report Open Interface
- Payables PCard Open Interface
- Payables Credit Card Open Interface
- Payables Matching Open Interface
- Payables Supplier Open Interface

## Payables Invoice Open Interface

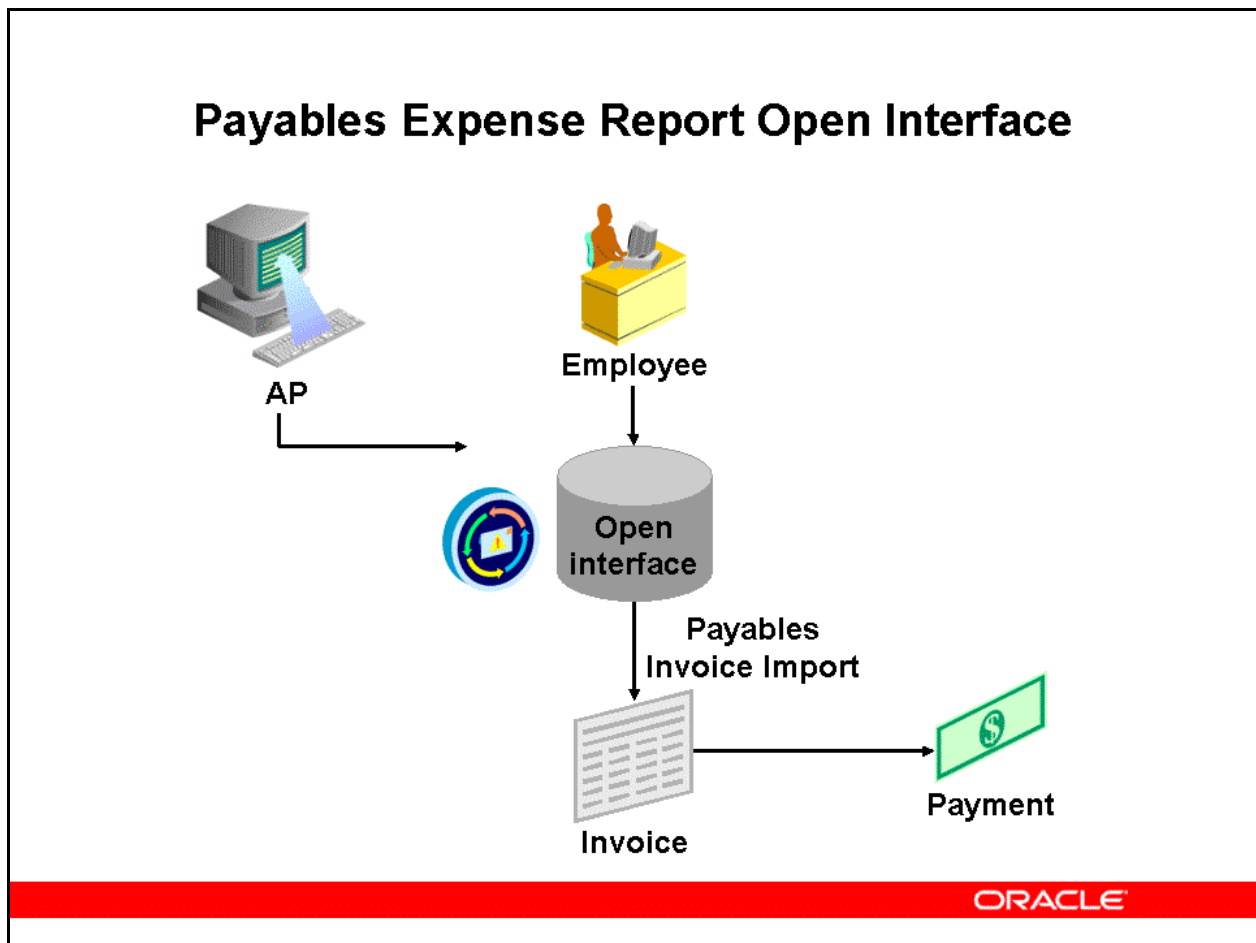


### Payables Invoice Open Interface

The graphic describes Payables Invoice Open Interface feature.

Use the Payables Invoice Open Interface to load invoices from a variety of sources including invoices generated from the Pay on Receipt Autoinvoice process, EDI invoices generated by the e-Commerce Gateway, invoices from credit card and procurement card transactions and invoices from external systems. You can load standard invoices as well as credit memos using the Payables Invoice Open Interface. Once invoices are loaded, use the Payables Open Interface Import process to validate them and load them into Payables.

## Payables Expense Report Open Interface

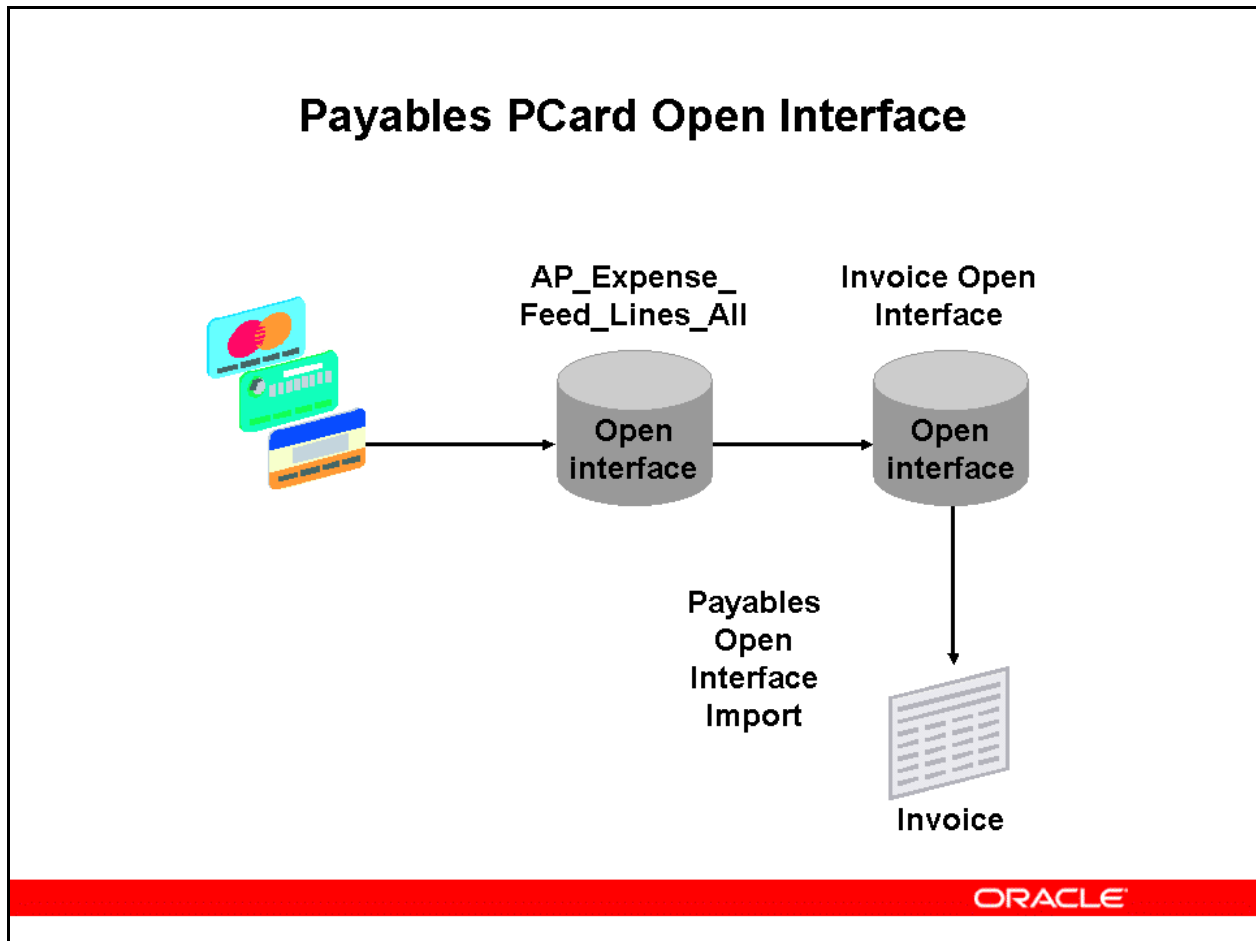


### Payables Expense Report Open Interface

The graphic describes the Payables Expense Report Open Interface feature.

Accounts Payable teams can key paper invoices using the expense reports form or employees can submit their own expense reports using iExpenses. Run the Payables Invoice Import process to validate expense report data and create expense reports in Payables.

## Payables PCard Open Interface

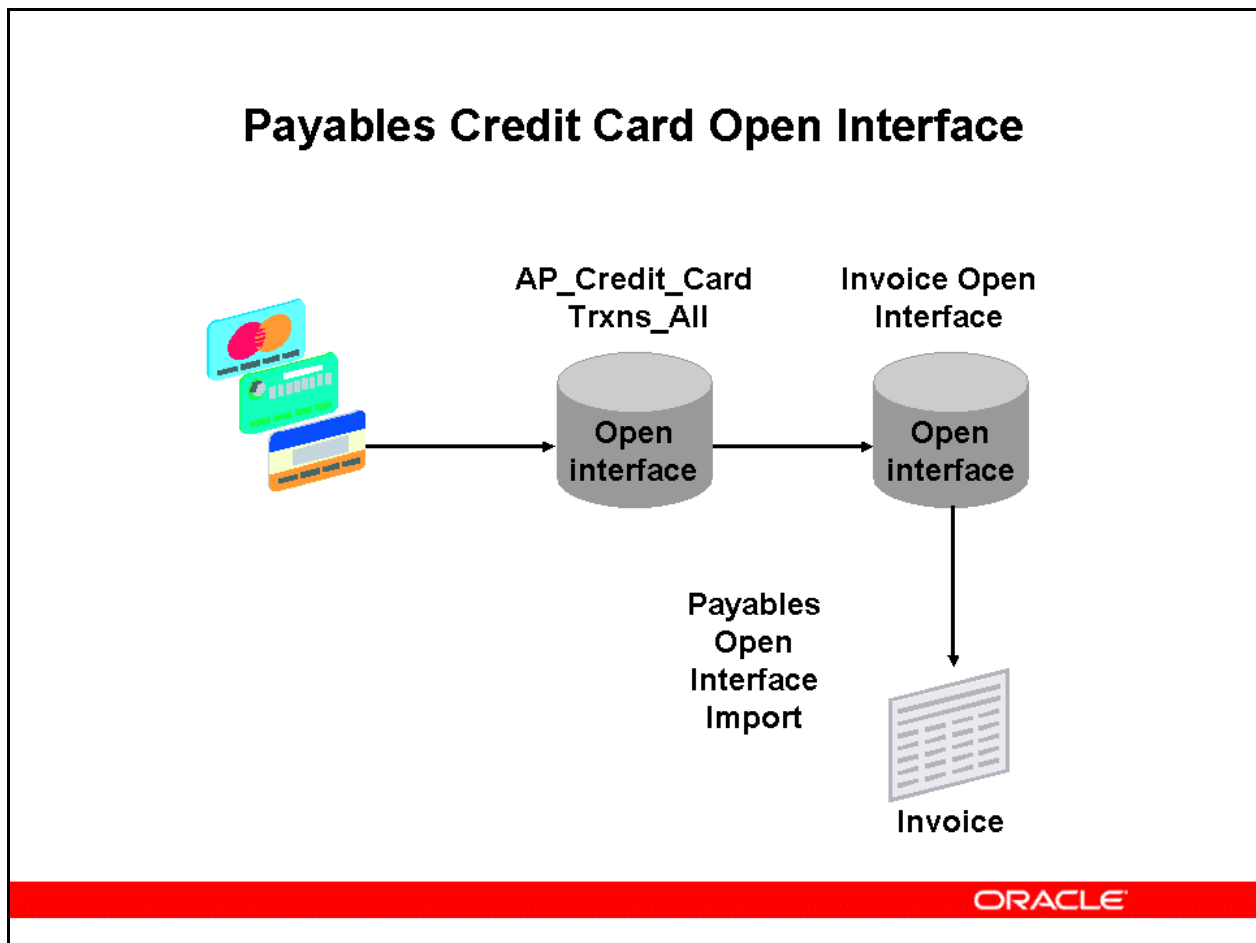


### Payables PCard Open Interface

The graphic describes the Payables PCard Open Interface feature.

You can streamline your procure-to-pay process by implementing a procurement card program. Employees purchase items directly from suppliers using a credit card and then the credit card issuer sends transaction files directly to your company. You can import credit card transaction files from your card issuer directly into Payables helping you reduce transaction costs and eliminate low dollar value invoices.

## Payables Credit Card Open Interface



### Payables Credit Card Open Interface

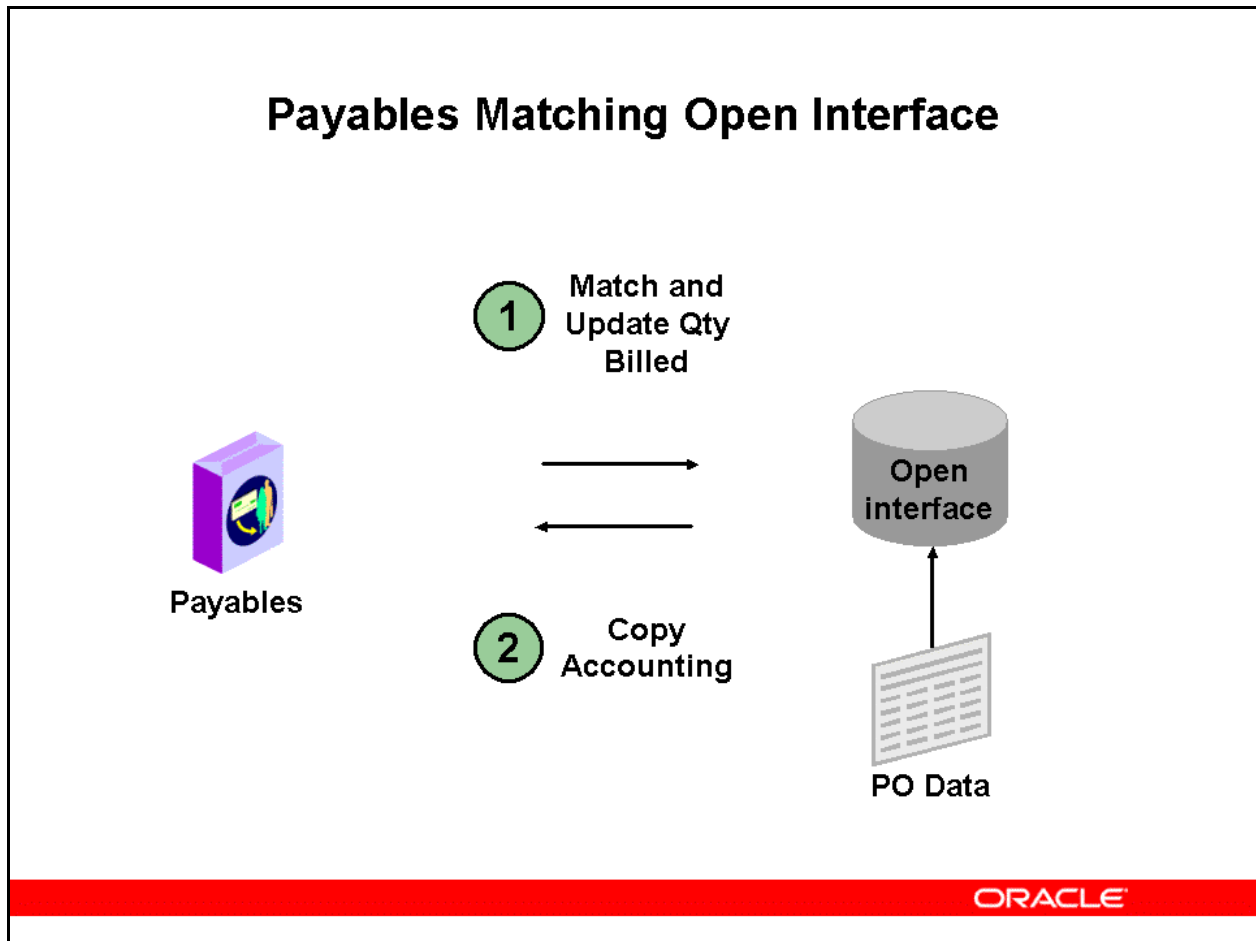
The graphic describes the Payables Credit Card Open Interface feature.

Use SQL\*Loader scripts to load credit card transactions for corporate credit (travel) cards into the open interface if you are using a credit card program. Corporate credit (travel) cards are similar to procurement cards but are generally used for travel expenses. After transactions are validated, you include them in expense reports you enter through the Self Service Web Applications.

The following predefined SQL\*Loader control files come delivered with Oracle Applications:

- American Express
- Diner's Club
- GE Capital MasterCard
- US Bank Visa

## Payables Matching Open Interface

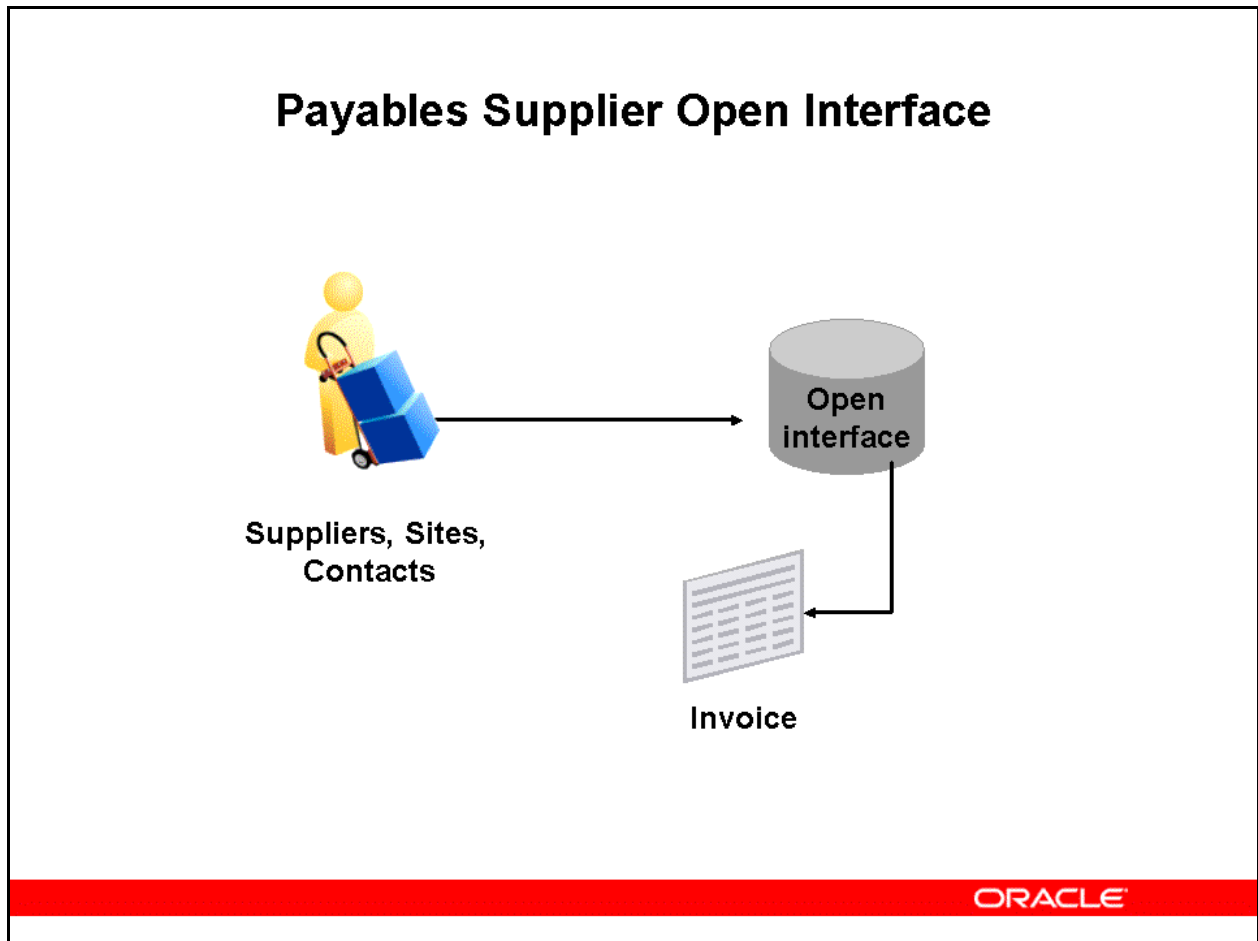


### Payables Matching Open Interface

The graphic describes the Payables Matching Open Interface feature.

Use SQL\*Loader to load the required information into the purchasing interface tables. You will need to create a SQL\*Loader control file to format the information you want to load. The file you write will vary greatly depending on the nature and format of the flat file you use. You match invoices to purchase order shipments during invoice entry.

## Payables Supplier Open Interface



### Payables Supplier Open Interface

The graphic describes the Payables Supplier Open Interface feature.

Use the Payables Supplier Open Interface to load supplier data from external systems. You can load suppliers, supplier sites, and supplier contacts using the Payables Supplier Open Interfaces. Once supplier data is loaded, use the Payables Supplier Open Interface Import process to validate them and load them into Payables.

### Summary

You should now be able to do the following:

- Describe the Payables process flow
- Describe the key areas in the Payables process
- Identify Payables integration points
- Identify Payables open interfaces

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## Quiz

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### Quiz

Oracle Payables supports Supplier entry, Invoice import and or entry, Invoice validation, Invoice payment, and Invoice and payment accounting.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 2-4.

## Quiz

---

### Quiz

You can enter or import invoices using the Quick Invoice or Invoices window

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 2-6.

## Quiz

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### Quiz

The Payables and Receivables Netting feature enables the automatic netting of Payable and Receivable transactions within a business enterprise

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 2-11.

## Quiz

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### Quiz

Cash outflows (payments) and inflows (refunds) are used to create cash forecasts.

1. True
2. False

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**Answers: 1, 2, 3**

#### Quiz Specifications

- The Quiz question should be polled after the Slide 2-12.

## Quiz

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### Quiz

Oracle Payables leverages Oracle Applications' Multiple Organization Access Control feature.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 2-25.

## Quiz

---

### Quiz

Payables lets you use several open interfaces such as, Payables Open Interface, Payables Expense Report Open Interface, Payables PCard Open Interface, to import data into Payables from other applications or third-party solutions.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 2-26.

# Suppliers

## Chapter 3



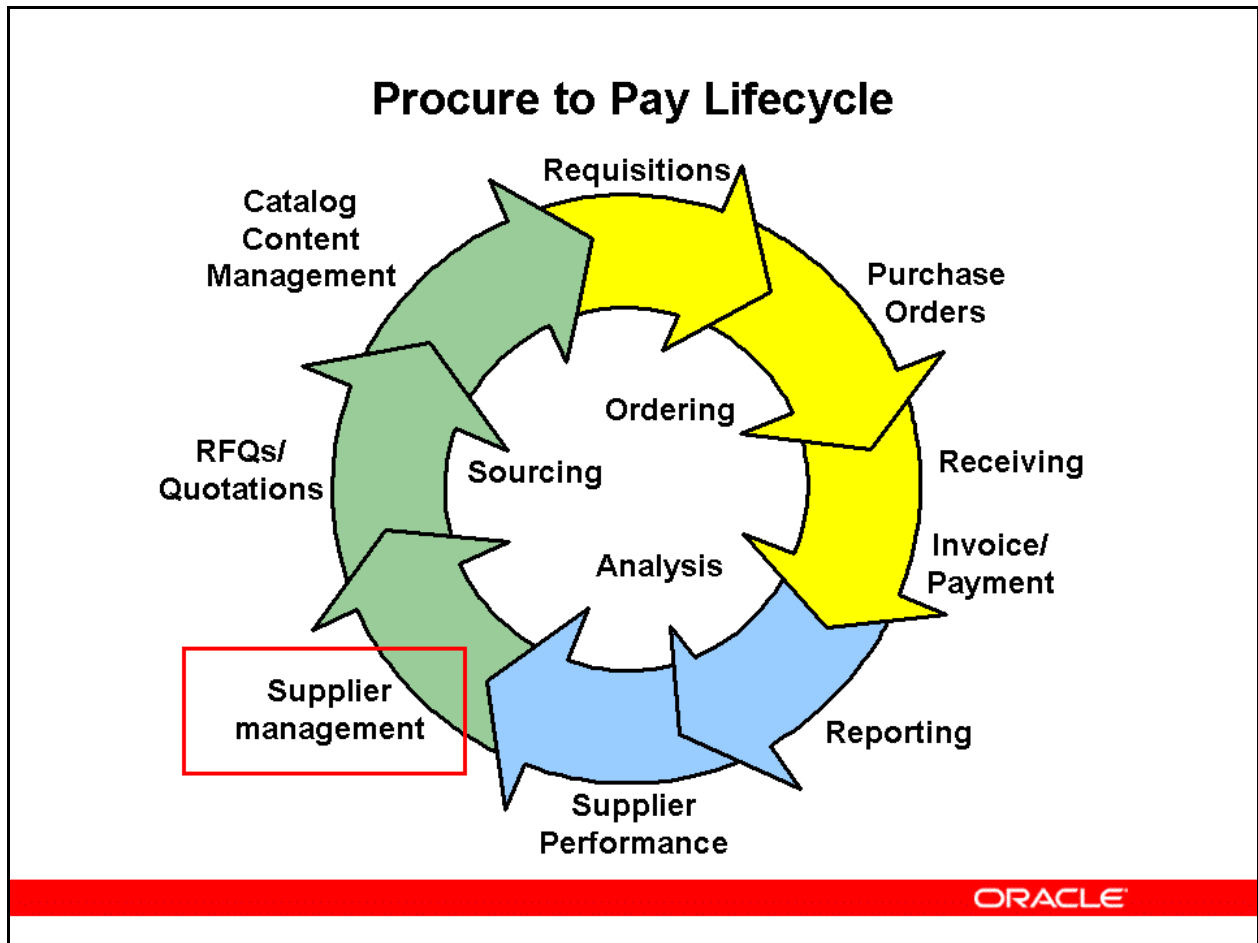


## Suppliers

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## Procure to Pay Lifecycle



Procure to Pay Lifecycle

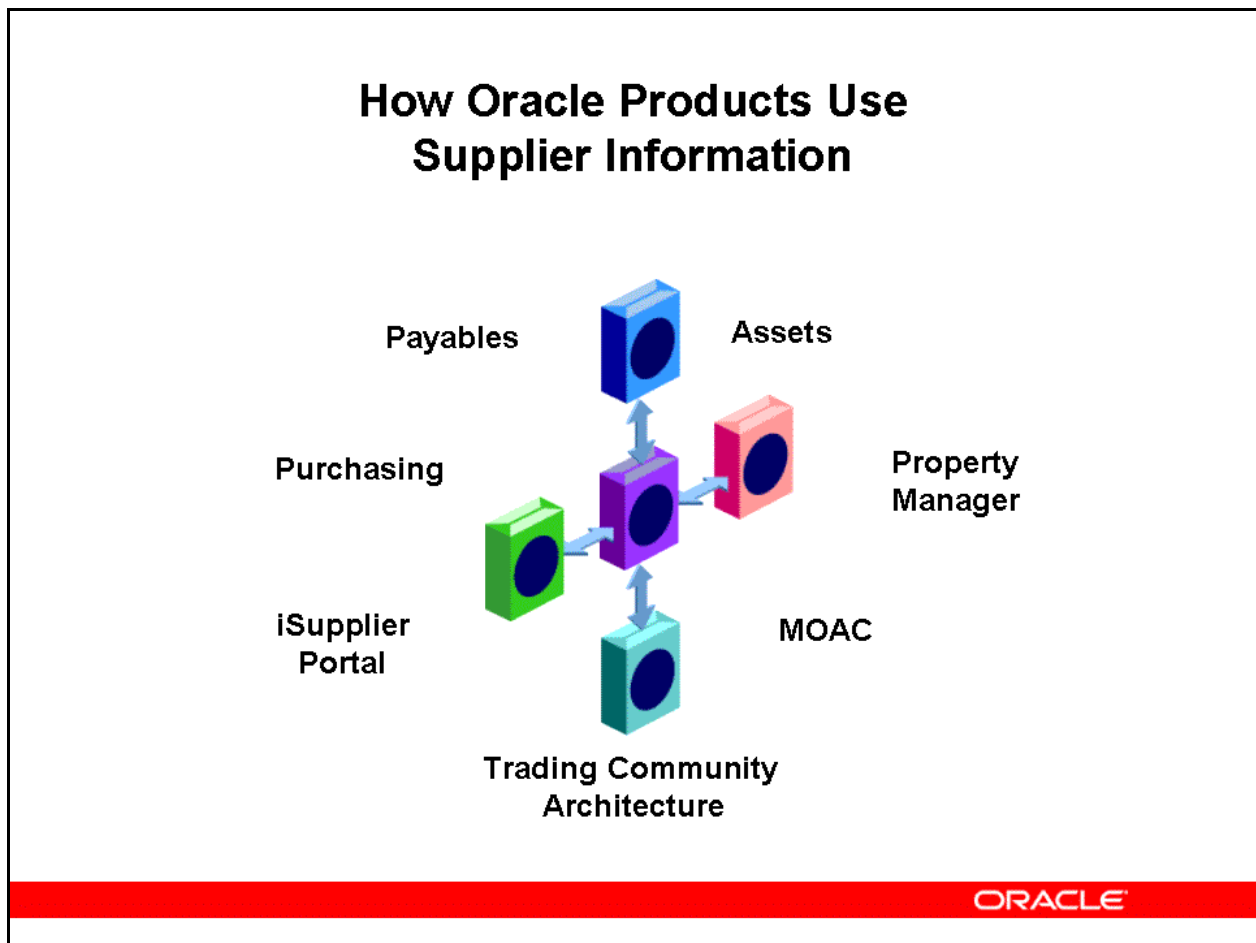
### Objectives

After completing this module, you should now be able to do the following:

- Define suppliers and supplier sites
- Identify key reports
- Understand setup options
- Understand additional implementation considerations

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## How Oracle Products Use Supplier Information



### How Oracle Products Use Supplier Information

The graphic describes how Oracle Products use Supplier information.

Suppliers can be set up from many different applications, but the data is stored in a single repository called the Trading Community Architecture (TCA). TCA provides a single, common definition that can be used to identify customers, suppliers, and organizations that provide you with goods or services, and are in turn, a customer of your own products or services. The TCA repository stores the key elements that define an organization, identity, business locations, and key contacts, so that different Oracle products use a common trading partner definition.

Applications that share supplier information are:

#### **Purchasing**

Purchasing uses supplier defaults, such as freight terms and shipping details, on requisitions, purchase orders, requests for quotations, etc.

#### **Payables**

Payables uses supplier defaults, such as method of payment and bank account information, during invoice entry and payment processing.

#### **Assets**

Assets maintains the supplier name and number for each asset record.

## **Property Manager**

Property Manager exports lease invoices for suppliers to Payables so they may be paid.

## **Multiple Organization Access Control (MOAC)**

If you are using multiple organization support feature, you cannot enter the following information at the supplier level, only at the supplier site level:

- Liability Account
- Prepayment Account
- Distribution Set
- Inv Tax Code
- Future Dated Payment Account

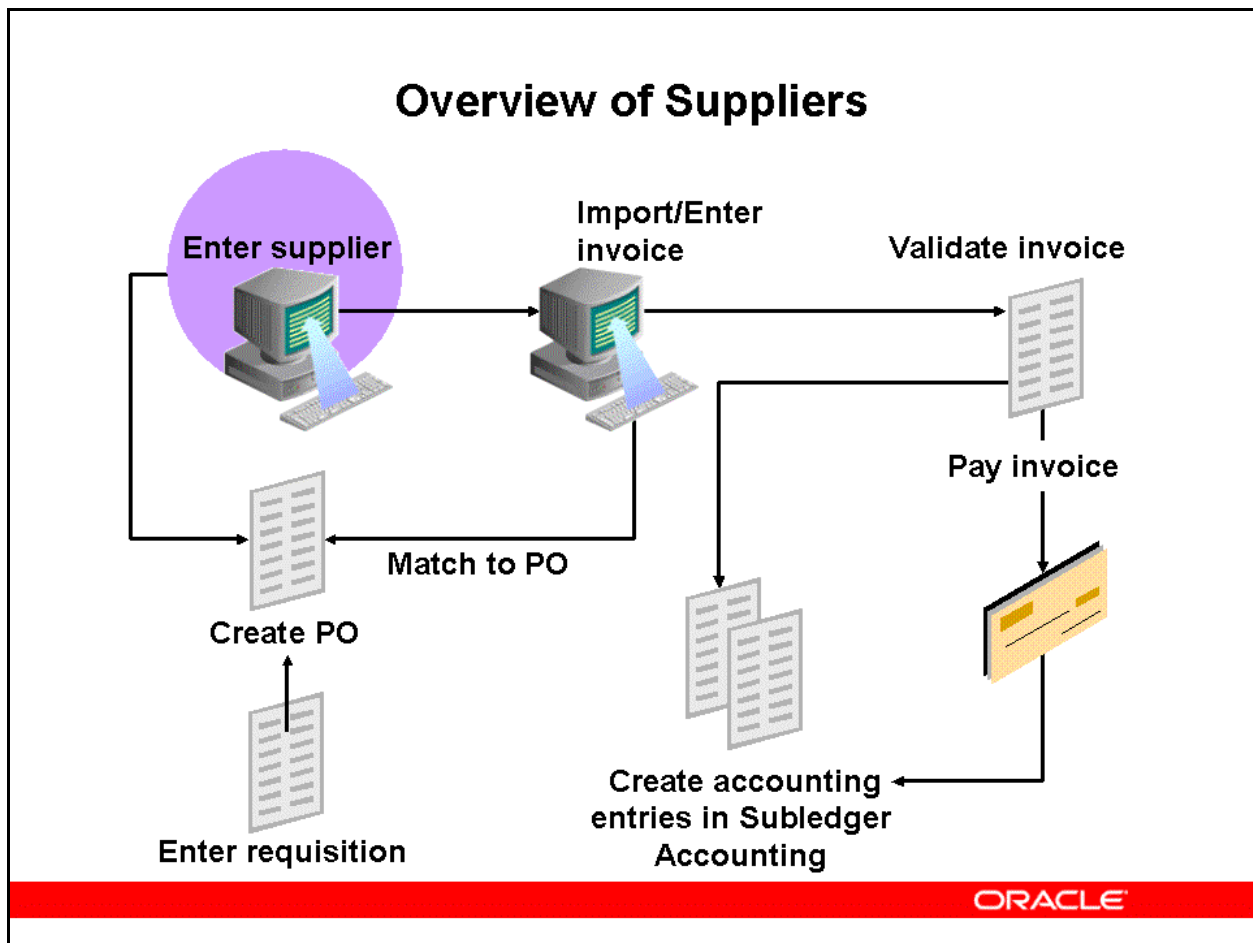
## **Trading Community Architecture**

All supplier information is defined in Trading Community Architecture.

## **iSupplier Portal**

iSupplier Portal allows you to grant access to suppliers to review order, receipt, and payment details for the supplier. Suppliers can enter planned (with PO) or unplanned (without PO) invoices and update supplier information.

## Overview of Suppliers



### Overview of Suppliers

The graphic describes creating and using suppliers.

Set up suppliers in the Suppliers page to record information about companies and individuals from whom you purchase goods and services. You can also enter employees whom you reimburse for expense reports.

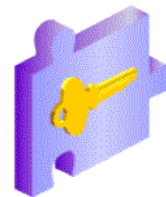
When you enter a supplier that does business from multiple locations, you enter common supplier information (supplier quick update information) only once, and you enter supplier sites for each location (supplier address). For example, for a single supplier, you can buy from several different addresses and send payments to several different addresses. Suppliers can have multiple addresses and each address can be used by an operating unit through a supplier site record.

Most supplier information defaults to supplier sites. However, you can override the values that default if necessary. After you define suppliers, you can use them when you import/enter invoices and create purchasing documents.

### Supplier Controls

Control supplier information using:

- Security
- Numbering
- Duplicate Supplier Entry
- Setup Options (defaults)
- Tax Defaults



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### Supplier Controls

You can control supplier information using:

#### **Security**

Use function security to enable or disable access to specific Supplier pages. For example, you can restrict access to Supplier banking information. You can also grant users full or read-only access to Supplier pages, or restrict users to view only Standard Suppliers or Employee Suppliers.

#### **Numbering**

Set the Supplier Number Entry Payables System Setup option to Automatic to control supplier numbering by allowing the system to automatically assign supplier numbers for you. You can also manually enter supplier numbers. If you use manual supplier numbering it is recommended that you use a numbering convention.

#### **Duplicate Supplier Entry**

If you have duplicate suppliers (for example, Orion Corp. and Orion Inc.), use Supplier Merge to merge the records into a single supplier record. When you merge suppliers you can update the associated purchase orders and invoices so they reference the merged supplier. It is recommended that you use a naming convention to prevent accidentally entering duplicate entries.

## Setup Options

Use the Financials, Payables, Payables System Setup, and Purchasing Options to control the supplier defaults. Setting these options speed your supplier, purchase order, and invoice entry. When you enter a new supplier site, the system defaults values to corresponding fields for each supplier site. When you enter a purchase order or invoice, the system defaults values to the corresponding fields based on the supplier and supplier site selected. You can override most defaults during supplier, purchase order, or invoice entry. Note that if you change supplier information, the system does not update existing supplier sites, but the updated information is used for all new supplier sites.

## Tax Defaults

For each supplier you can specify the following tax default information:

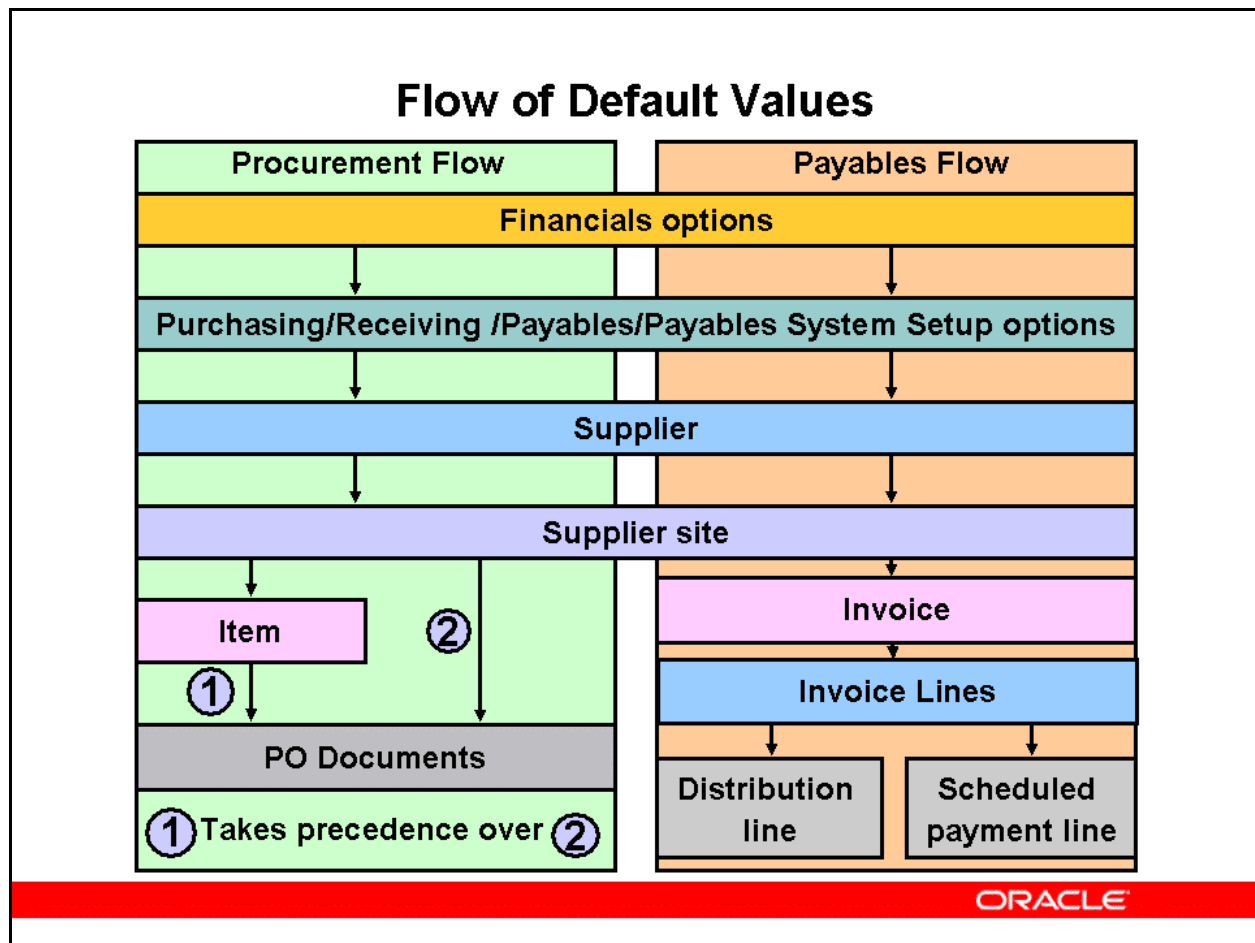
- Income Tax defaults
  - Taxpayer ID
  - Allow Withholding Tax
  - Federal or State Reportable
- Transaction Tax defaults
  - Default Reporting Country and Registration Number
  - Rounding Level and Rule
  - Set Invoice Values as Tax Inclusive
  - Taxes
  - Fiscal Classifications

For each supplier site, you can also determine whether you allow the site to Update Transaction Tax. If you set this option, you can override calculated transaction tax values for the supplier site.

For each supplier, you can enable the Allow Withholding Tax at the supplier or supplier site level.



## Flow of Default Values



### Flow of Default Values

The graphic describes the flow of default values.

- Defaults set at higher levels flow down to lower levels where you can override them.
- Defaults reduce data entry by providing default values based on corporate policy. Optional defaults (especially the higher level ones) should be left blank if you frequently override them.
- Purchase order matched invoices will receive defaults from the purchase order you specify when you match.

**Note:** Changes to default values affect only new records, not existing records. For example, if payment terms in the Payables Options window are reset to Net 30 from Net 45, new suppliers will have a default of Net 30. Existing suppliers will have terms of Net 45.

### Suppliers Page

- Search
- Company Profile
  - Organization
  - Tax Details
  - Address Book
  - Contact Directory
  - Business Classification
  - Products and Services
  - Banking Details
  - Surveys
- Quick Update
- To Do List
- Terms and Control
  - Accounting
  - Tax and Reporting
  - Purchasing
  - Receiving
  - Payment Details
  - Invoice Management



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### Suppliers Page

You can create and update supplier information, and manage supplier profile from a common Suppliers page.

The Suppliers page provides a central area where you can search for suppliers and provide quick updates to key supplier information. You can also view a TO DO list, which provides a list of pending supplier requests which the suppliers have submitted through Oracle iSupplier Portal.

### Finding Suppliers

You can find suppliers by using the Search region of the Suppliers page.



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### Finding Suppliers

Use the Search region of the Suppliers page to enter a wide variety of search criteria including:

- Supplier Name
- Supplier Number
- Supplier Type
- Tax Registration
- DUNS number

From the Suppliers page, you can review, update, or create new suppliers.

### Supplier Quick Update

You can use Quick Update for routine maintenance of supplier information.



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### Supplier Quick Update

**The Supplier:** Quick Update page is the default page that the system displays when you initially access the profile details for a supplier. The page provides access to the main Hold flags for the supplier, along with site-level key purchasing and payment setup attributes.

These attributes are also found in the more detailed Terms and Controls pages. The Quick Update page is intended to be the primary page you use for routine maintenance of supplier profile information. You can personalize the fields that are displayed on the page so that different types of users are given access to appropriate sets of key purchasing and payment attributes in the Supplier Sites regions.

## Entering Basic Supplier Information

**Entering Basic Supplier Information**

**Standard supplier** → • **Supplier Type**

• **Name** ← Stevens and Co

• **Number** ← 46018

**FEIN 52-1234567** → • **Taxpayer ID or**  
• **Tax Registration Number**

• **Inactive On** ← 01-AUG-2010

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### Entering Basic Supplier Information

The graphic describes entering basic supplier information.

#### Supplier Type

You can create Standard or Employee suppliers. Use Standard Supplier for companies and individuals from whom you purchase goods and services. Use Employee suppliers for employees for whom you reimburse expense reports.

#### Name

Suppliers should provide their official business name for entry. Names must be unique and can be updated if necessary.

#### Number

You can manually enter supplier numbers in the Suppliers : Organization page or they can be automatically generated by the system when you save the record.

#### Taxpayer ID

If the supplier is a corporation or partnership, use the federal identification number. If the supplier is an individual, use a social security number. Optionally enter the value-added tax (VAT) registration number in the Tax Registration Number field if you are entering a VAT supplier.

**Inactive On**

Prevent entry of invoices and purchase orders for specific suppliers after a certain date by entering a date in the Inactive On field in the Suppliers : Organization page.

### Supplier – Organization

- **Parent Supplier Name**
  - Must already be defined to select
- **Number**
  - Parent supplier number
- **Customer Number**

### Supplier – Organization

Enter the following information in the Suppliers: Organization page.

#### Parent Supplier Name and Number

You can record the relationship between a franchise or subsidiary and its parent company by recording a value for the Parent Supplier Name field. Use the Vendor Affiliated Structure Listing to report relationships you've defined.

#### Customer Number

The number your supplier uses to identify your company or organization. This number appears on purchase documents.

#### Additional Information

You can also enter additional organization information, such as year established, legal structure, total employees, tax and financial information, as well as include attachments of relevant supplier information such as documentation on supplier goods and services.

### Supplier – Tax Details

- Rounding Rule
- Set Invoice Values as Tax Inclusive
- Allow Withholding Tax
- Withholding Tax Group
- Tax Registrations



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### Supplier – Tax Details

Use the Suppliers : Tax Details page to enter tax details and specify withholding applicability. The options you select for a supplier default to the new supplier sites you enter, then default to invoices you enter for that site.

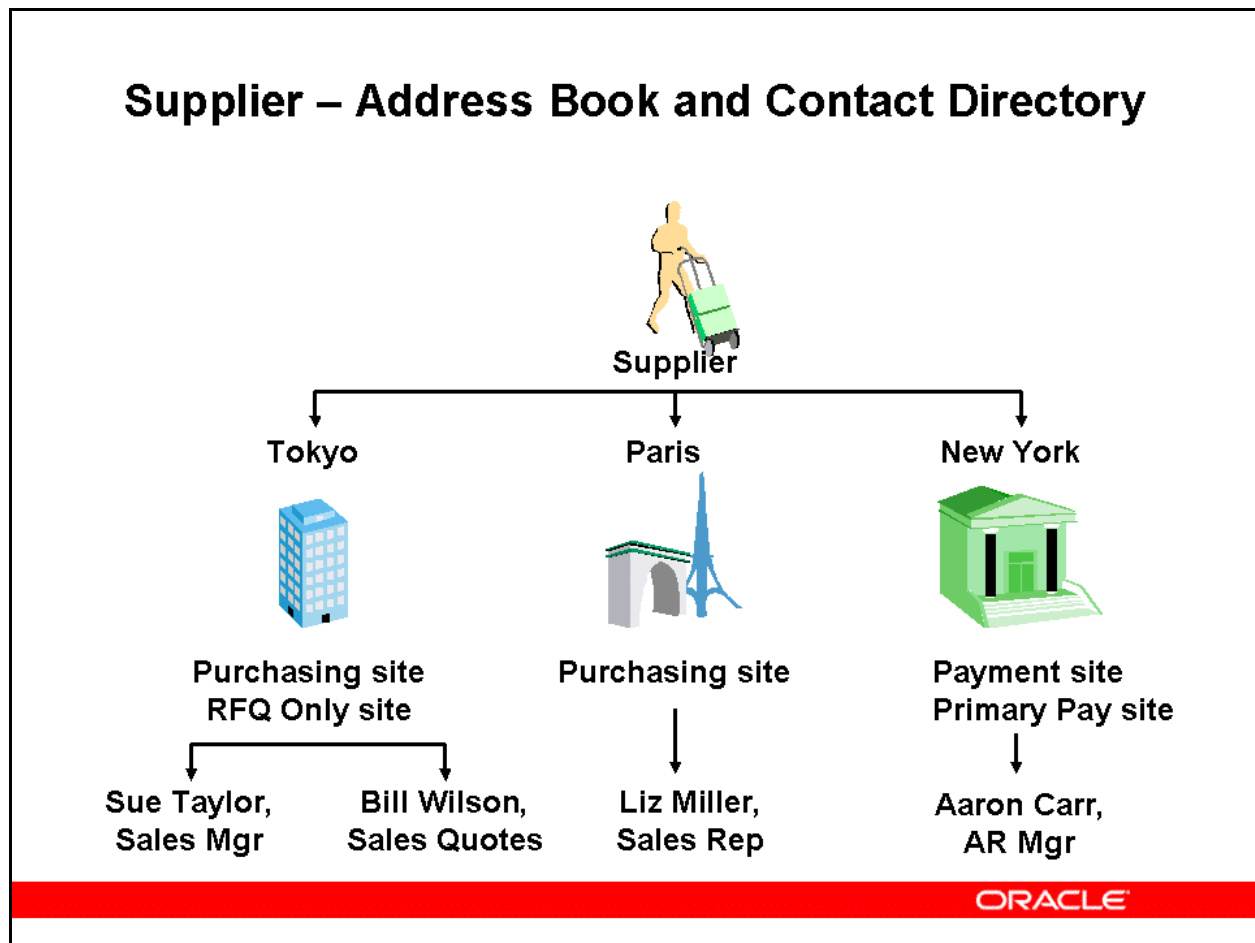
If you do not allow withholding tax for a supplier, you cannot allow withholding tax for any of the supplier's sites. If you disable withholding tax at the supplier site, you will not be able to allow withholding taxes for any invoices entered for this supplier site.

You can also enter the tax registrations (for example, a supplier's value-added tax (VAT) registration number). You enter a tax registration number for a supplier if it is required to pay or report on Value-Added Taxes (VAT).

For more information on tax details, see: *Oracle E-Business Tax User Guide*.



## Supplier – Address Book and Contact Directory



### Supplier – Address Book & Contact Directory

The graphic describes the address book and contact directory for Supplier.

For every supplier, you can create an unlimited number of supplier sites with different addresses and contacts. You can buy from several different sites while sending the payments to only one site.

Define how supplier sites can be used by setting the purpose for the supplier address:

- **Payment:** You can import and or enter invoices for and make payments to the site.
- **Purchasing:** You can create purchase orders for the site.
- **RFQ Only:** You can create request for quotations in Purchasing for the site. You cannot create purchase orders for an RFQ Only site.

Designate an address as an RFQ Only site during the beginning of negotiations with a supplier. If you decide to use the supplier, designate the supplier address as a Purchasing site by deselecting the RFQ Only option and selecting the Purchasing option.

**Note:** Since suppliers are stored in TCA, the address details for a supplier may be used by other Oracle products. Take great care when removing supplier addresses. If the address is inactivated, the system no longer associates it to any contacts, and any bank account assignments to the address are inactivated.

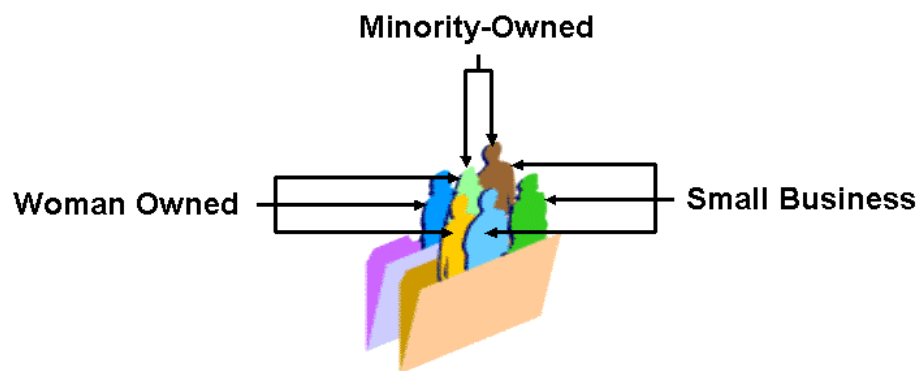
For each supplier site, you can enter contact information (name, address, telephone) specific to that site. Contact information is for your reference only.

If you implemented iSupplier Portal's Supplier Profile Management tools, suppliers can enter address book information online, creating any number of new addresses, modifying the details for existing addresses, and indicating how each address is used.

Suppliers can also inactivate addresses that are obsolete. Buyer administrators need to approve any changes in order to update the master supplier details.

### Supplier – Business Classification

Name	Type
Hal's Supplies	Office Supplies
Adams for Board	Donations



### Supplier – Business Classification

The graphic describes the Supplier business classification.

You can enable the applicable business classifications to each supplier to categorize and report on subsets of suppliers. For example, you may have legal requirements to which you must adhere that differentiate between types of suppliers or for which a particular supplier must be certified.

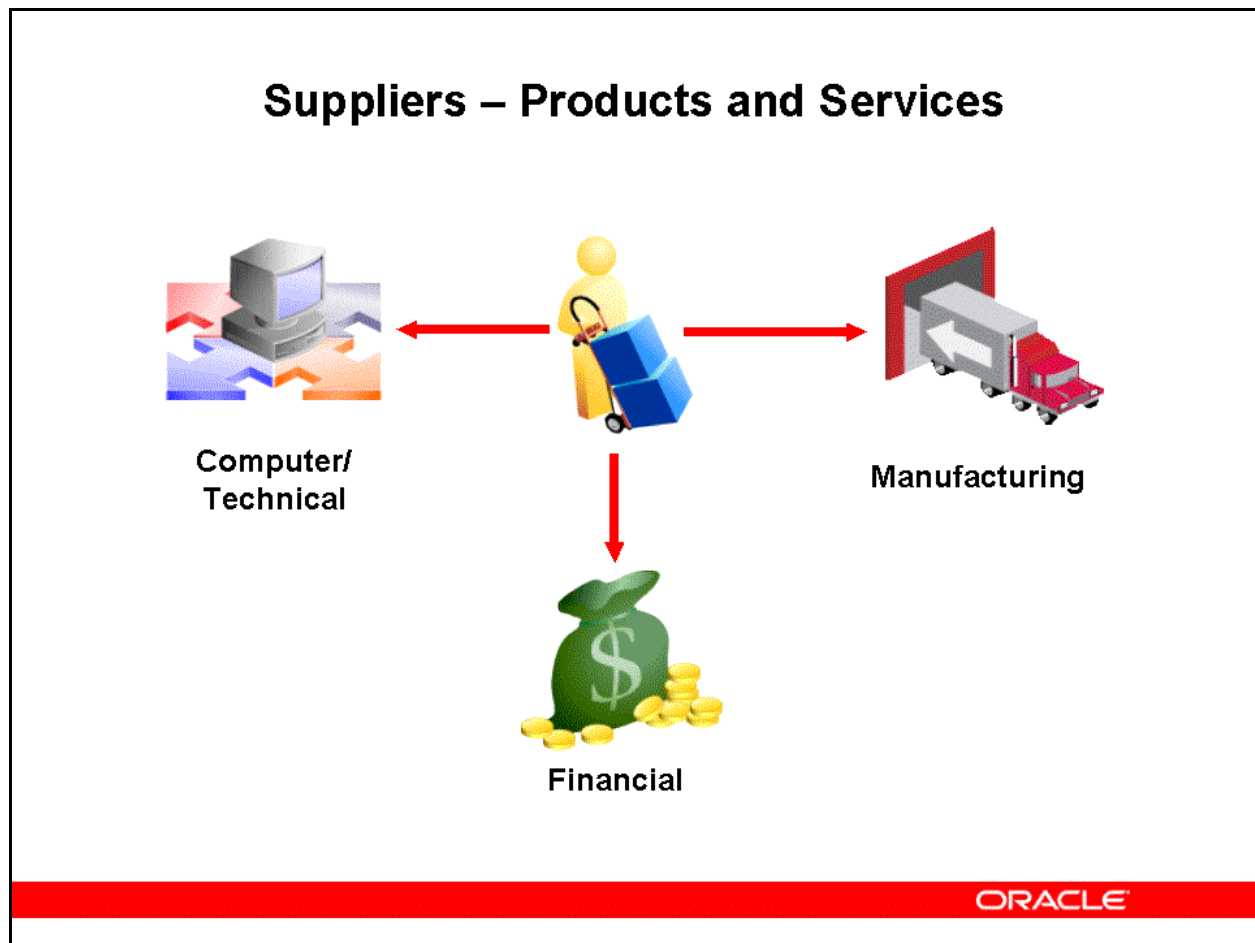
The system predelivers a set of business classifications. You cannot delete or update the Minority Owned, Woman Owned, and Small Business business classifications, but you can add, remove, or update other values, as needed.

Define the list of business classifications (POS\_BUSINESS\_CLASSIFICATIONS) through the Lookups window.

Alternatively, through the iSupplier Portal you can allow the supplier to access the list and claim the classifications themselves. After a supplier submits its classification details, the buyer administrator is notified, and then approves or rejects the claim.

For more information, see: *Oracle iSupplier Portal Implementation Guide*.

## Suppliers – Products and Services



### Suppliers – Products and Services

The graphic describes the Supplier products and services.

The Products and Services page allow you to categorize the types of goods and services that each supplier can provide. Typically, this categorization is something that you would ask the supplier to do themselves through iSupplier Portal. Buying organizations can use the category details provided by suppliers to help generate invitation lists for RFQs and for reporting. For more information on setting up product and service hierarchies, see the *Oracle iSupplier Portal Implementation Guide*.


The system indicates newly claimed categories by a Pending status and these categories need to be reviewed by a buying administrator. The supplier cannot see the status and does not receive any notifications. Buyer administrators also can add new product and service categories on behalf of a supplier.

If the product and service categories have been set up in a hierarchy, users can select a parent category or child categories. If a parent category is selected, the system automatically selects all of the child categories for that product or service. Once a supplier selects a product and service category or categories, buyer administrators are notified so they can review the details.


## Supplier – Banking Details

### Supplier – Banking Details

- Name
- Number
- Primary ✓
- Currency
- Start/End Dates



Operating Account  
#432198-77



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### Supplier – Banking Details

The graphic describes the Supplier banking details.

Use the Supplier : Banking Details page to define the bank accounts used for making payments to suppliers.

You can select the name and number of the bank account from the list of values that includes all active supplier type bank accounts or you can create a new bank account.

For each supplier and supplier site that has bank account assignments, you must designate a primary bank account. The primary bank account is used by Payables as a default when you pay this supplier electronically. You may override the default if necessary.

Using iSupplier Portal, suppliers can access their banking information and, if given the appropriate security privilege, make changes to the details. The buyer administrator can either approve the account or set the status to Verify. You can use the Verify status while you prenote the account or perform other activities for verifying an account with your bank.

### Suppliers – Surveys

Create custom questionnaires that can be used to gather feedback from suppliers' surveys



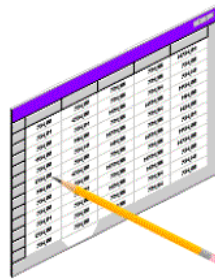
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### Supplier – Surveys

As part of the supplier profile, you can create custom questionnaires that can be used to gather feedback from suppliers' surveys. For more information, see: *Oracle iSupplier Portal Implementation Guide*.

### Supplier – Accounting

Supplier accounting values default to all new supplier sites you enter for the supplier. Supplier site accounting values default to all new invoices for the supplier site. You can override any accounting defaults during supplier site entry and invoice entry.



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### Supplier - Accounting

Use the Supplier : Accounting page to define the default accounting information for your suppliers and supplier sites.

#### Liability

The Liability Account and description for a supplier site's invoices. If you use the Multiple Organization Support feature, you can enter a value in this field only at the supplier site level.

#### Prepayment

The supplier default for this field is the Financials option for the Prepayment account. If you use the Multiple Organization Support feature, you can enter a value in this field only at the supplier site level.

#### Bills Payable

If you use bills payable (future dated payments), enter the account you want to use. The Financials option value defaults to new suppliers, and the supplier value defaults to new supplier sites. You can override these defaults. When Payables creates a future dated payment, it uses the future dated payment account from either the supplier site or the payment document, depending on which option you select in the Payment Accounting region of the Payables Options window.

If you relieve liability for future dated payments when the payment is issued, then use an asset account. If you relieve liability at clearing time, then use a liability account.

If you use the Multiple Organization Support feature, you can enter a value in this field only at the supplier site level.

### **Distribution Set**

The default Distribution Set for all invoices entered for the supplier site. Distribution Sets are used to expedite entry of distribution lines on invoices.

- Full distribution sets will automatically create distribution lines with both account numbers and currency amounts.
- Skeleton distribution sets will automatically create distribution lines with only account numbers and you must provide the currency amounts.

Define additional Distribution Sets for the list of values in the Distribution Set window. If you use the Multiple Organization Support feature, you can enter a value in this field only at the supplier site level.



### Supplier – Tax and Reporting

- Allow Tax Applicability
- Set for Self Assessment/Reverse Charge
- Allow Offset Taxes
- Tax Classification Code
- Income Tax Reporting Site



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### Supplier – Tax and Reporting

Use the Supplier : Tax and Reporting page to define the tax profile for your supplier and supplier site.

The supplier's tax profile enables the supplier and supplier site tax-related defaults, and provides tax reporting information.

#### **Allow Tax Applicability**

Enable this option, if you want to automatically calculate taxes for this supplier or supplier site.

#### **Set for Self Assessment/Reverse Charge**

Enable this option if you want to self assess taxes for the supplier or supplier site.

A self-assessed tax is a tax calculated and remitted for a transaction, where tax was not levied by the supplier but is deemed as due (and therefore needs to be paid by the purchaser). In such cases the purchaser is responsible for calculating and remitting the tax. Self-assessment is also known as reverse charge or use tax in certain tax regimes.

#### **Allow Offset Taxes**

Enable this option if you want to allow calculation of offset taxes with this supplier or supplier site.

#### **Tax Classification Code**

If applicable, enter the default tax classification code for this supplier or supplier site.

### **Income Tax Reporting Site**

Enable this option to set the supplier site as the reporting site for a supplier. This reporting supplier site's address is printed on the 1099 form, and included in the 1099 Electronic Media Payables requires exactly one tax reporting site for each 1099 supplier for income tax reporting purposes.

You can choose only one supplier site as the income tax reporting site for a supplier. Payables requires a tax reporting site for each 1099 supplier for income tax reporting purposes.

For more information on tax details, with the exception of 1099 or withholding taxes, see: *Oracle E-Business Tax User Guide*.

### Supplier – Purchasing

- All New Orders
- Ship-To Location
- Bill-To Location
- Ship Via
- Pay On Receipt
- Alternate Pay Site
- Invoice Summary Level
- Create Debit Memo from RTS Transaction \*
- Gapless Invoice Numbering
- Free-on-Board (FOB)
- Freight Terms
- Transportation Arranged
- Country of Origin



Poor Quality

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### Supplier - Purchasing

#### All New Orders

All supplier purchasing values default to new supplier sites you enter. Supplier site values default to all new purchase orders and purchase requisitions. You can override any purchasing defaults during supplier site entry and purchasing document entry.

#### Ship-To Location/Bill-To Location

Suppliers generally send invoices and shipments for goods and services to Ship-To and Bill-To Locations. These locations are often not the same.

#### Ship Via

Ship Via allows you to indicate a preferred carrier that you'd like the supplier to use when shipping to you.

#### Pay On Receipt

The Pay on Receipt functionality allows you to create invoices based on receipts and purchase order information in the system. This functionality is generally used with suppliers who send ASNs (Advance Shipment Notices) and ASBNs (Advance Shipping and Billing Notices).

#### Alternate Pay Site

Pay site to be used as the supplier site when the system creates self-billing invoices for this supplier. This list of values is limited to active pay sites for the supplier.

### **Invoice Summary Level**

The level at which you want to consolidate invoices for this supplier site when you submit the Pay on Receipt AutoInvoice Program.

### **FOB**

Free on Board (FOB) indicates the point at which ownership of the goods and services, as well as the cost of any damage or loss, transfers from the supplier to you.

### **Freight Terms**

Freight Terms indicate whether you or your supplier pays the freight charges for the goods you ordered.

### **Create Debit Memo from RTS Transaction\***

If you enable the Create Debit Memo from RTS (Return to Supplier) Transaction option, you will have the option of allowing Workflow to automatically create a debit memo when processing a return to supplier.

\*This is the only purchasing option that you can set at both the supplier and supplier site level.

### **Purchase Order Hold/Reason**

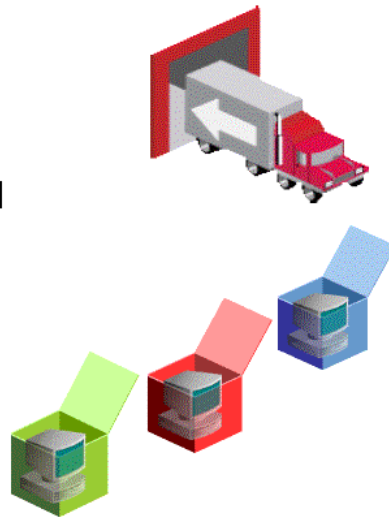
If a supplier is placed on Purchase Order Hold and if the Enforce Vendor Hold box is checked in the Purchasing Options window, the system will allow you to create a purchase order for the supplier, but you will not be able to approve it until you release the hold. If you use this option, use a descriptive explanation in the Reason field to explain the reason for the hold.

### **Country of Origin**

Country in which the product was manufactured.

### Supplier – Receiving

- Enforce Ship-To Location
- Receipt Routing
- Match Approval Level
- Quantity Received Tolerance
- Quantity Received Exception
- Days Early/Late Receipt Allowed
- Receipt Date Exception
- Allow Substitute Receipts
- Allow Unordered Receipts



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### Supplier - Receiving

#### Enforce Ship-To Location

Values for the Enforce Ship-To Location include none, warning and reject.

- Reject prevents entry of the receipt in the system.
- Warning provides a message of the discrepancy, but will allow the receipt entry to continue.
- None allows the receipt to be entered and will not provide a warning message of the discrepancy.

#### Receipt Routing

Receipt routing indicates which default location will be used at the point of initial receipt and generally the number of steps it takes for the item to reach its final destination. Below are the options available.

- **Direct Delivery:** 1 step to the final destination
- **Standard Receipt:** 2 steps: 1st to receiving, then to the final destination
- **Inspection Required:** 3 steps: 1st to receiving, next to inspection, then to the final destination

#### Match Approval Level

The Match Approval Level indicates what information will be compared to determine whether an invoice can be validated or not. Options are:

- **2-Way:** Purchase order and invoice quantities must match within tolerance before the corresponding invoice can be paid. The receipt close tolerance should be set to 0% to allow the system to automatically close fully received lines.
- **3-Way:** Purchase order, receipt, and invoice quantities must match within tolerance before the corresponding invoice can be paid.
- **4-Way:** Purchase order, receipt, accepted, and invoice quantities must match within tolerance before the corresponding invoice can be paid.

#### **Quantity Received Tolerance**

The maximum acceptable over-receipt tolerance percentage.

#### **Quantity Received Exception**

The action to be taken when the quantity received tolerance is exceeded.

#### **Days Early/Late Receipt Allowed**

The window within which delivery will be allowed.

#### **Receipt Date Exception**

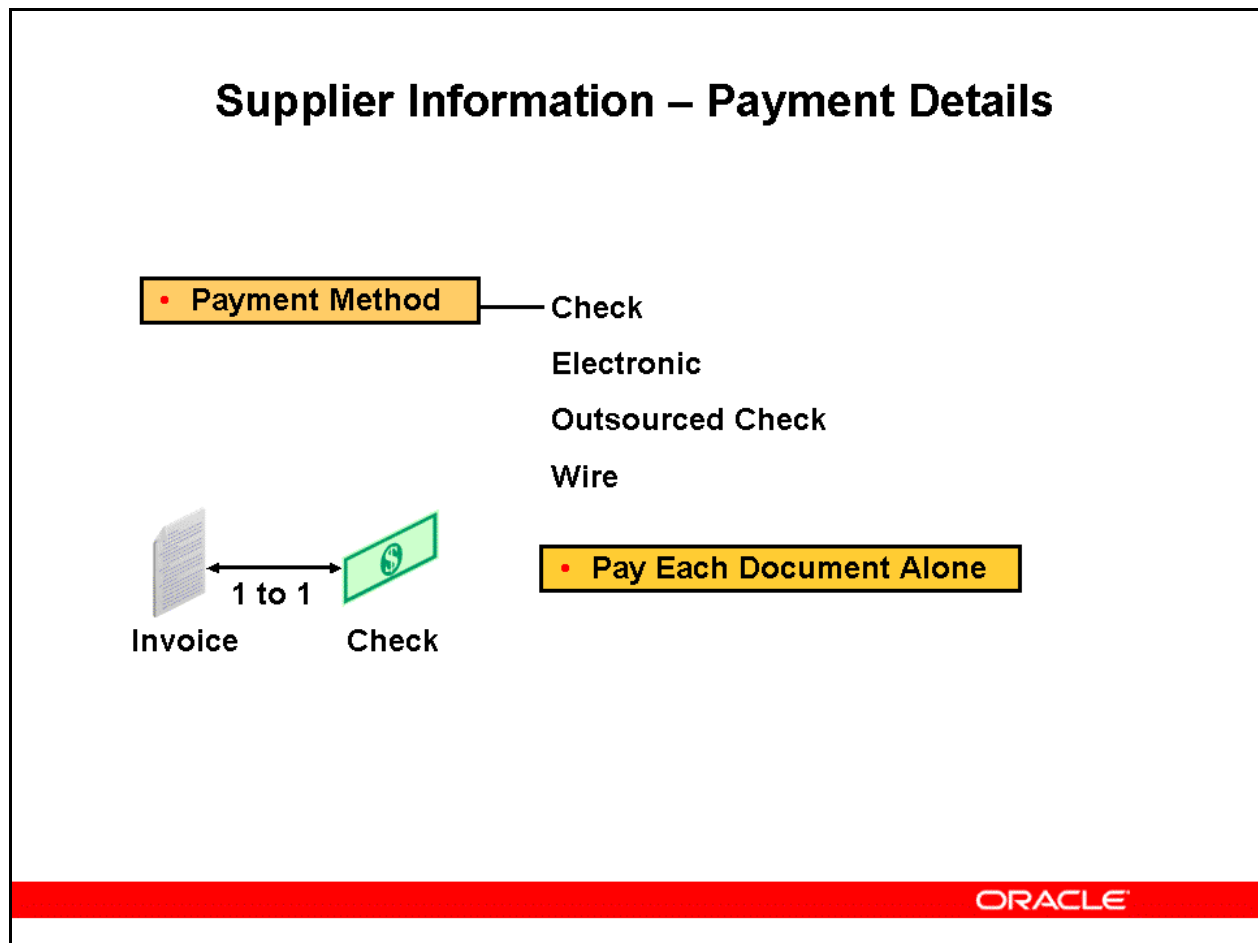
The action to be taken when delivery occurs outside of this window.

#### **Allow Substitute Receipts**

If Allow Substitute Receipts is enabled, receivers can receive previously defined substitute items in place of ordered items.

#### **Allow Unordered Receipts**

Allow Unordered Receipts permits receivers to acknowledge receipt of unordered items. If enabled, you will need to later research and match the unordered receipts to the appropriate purchase order. If you allow Unordered receipts, you will always be able to record the fact that a physical receipt was processed giving full visibility to the transaction.



### Supplier Information- Payment Details

The graphic describes the Supplier information payment details.

Use the Supplier : Payment Details page to specify the general payment details and payment attributes for the supplier and supplier sites.

#### Payment Method

The Payment Method is the form of payment used for each supplier invoice. Options include check, electronic, wire, or outsourced check. Wire payments are done manually to reflect external wire transfers made between your bank and your supplier's bank.

#### Pay Each Document Alone

If the Pay Each Document Alone option is enabled, a separate payment is created for each invoice. If it is not enabled, a single payment is made for multiple invoices.

### Supplier – Invoice Management

- Invoice Details
- Hold from Payment
- Payment Terms
  - Priority
  - Terms
  - Pay Date Basis
  - Pay Group
  - Always Take Discount
  - Exclude Freight From Discount
  - Create Interest Invoice



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### Supplier – Invoice Management

Use the Supplier : Invoice Management page to specify the defaults and controls for supplier invoices and to specify the payment details related to supplier invoices. The defaults come from the defaults you enter in the Payables System Setup window, except the default for Allow Interest Invoices, which come from the Payables Options.

#### Invoice Amount Limit

If you enter an invoice for a supplier site that exceeds a pre-specified invoice amount limit, Payables will automatically place the invoice on an Amount Hold during the Invoice Validation process.

#### Invoice Match Option

The Invoice Match Option determines whether or not you intend to match invoices for this supplier against purchase orders or receipts.

#### Hold All Payments

Select the Hold All Payments option to prevent any invoices entered for the supplier site from being selected for payment processing.

#### Hold Unvalidated Invoices

If the Hold Unvalidated Invoices option is selected, Payables will automatically apply a Supplier hold to all invoices as they are entered.



**Hold Unmatched Invoices**

If the Hold Unmatched Invoices option is selected, Payables will automatically apply a Matching Required hold to all unmatched invoices.

**Payment Hold Reason**

The reason you are applying a payment hold to an invoice.

**Payment Priority**

A number, 1 to 99 (1 being the highest, 99 being the lowest), which represents the priority of payment. The system uses the Supplier Site value to automatically assign a Payment Priority to an invoice's scheduled payment(s) during invoice entry.

**Terms**

The system uses payment terms to automatically calculate due dates, discount dates, and discount amounts for each invoice in order to schedule payments. Additional terms can be added to the list of values through the Payment Terms window.

**Terms Date Basis**

The Terms Date Basis is the date you select for Payables to use as the basis for calculating the scheduled payment. Below are the options available listed in order from the earliest date selection to the most recent date selection.

- Goods Received
- Invoice (Date)
- Invoice Received
- System (Date)

**Pay Date Basis**

The Pay Date Basis determines if the system will create a payment at the end of the discount period or by the due date.

**Pay Group**

The default for this field is the Payables option you define for Pay Group. You can override this default during supplier site entry or invoice entry.

**Always Take Discount**

Enable the Always Take Discount check box to have Payables always pay the discounted amount regardless of whether payment is made within the discount period or not.

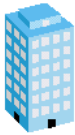


**Exclude Freight from Discount**

If you select the Exclude Freight from Discount check box, the system will exclude freight prior to calculating discounts.

**Create Interest Invoice**

If you select the Create Interest Invoice check box, the system will automatically create invoices for interest. If this option is enabled, Payables calculates interest for the supplier's overdue invoices and creates corresponding interest invoices when you pay the overdue invoices. Payables calculates interest only for invoices that are overdue 365 days or less. If you enable this option, it is automatically enforced for all of a supplier's sites. Payables automatically enables this option in this window if you enabled this option in the Payables Options window. If this option is not enabled in the Payables Options window, you cannot enable it here.

## Supplier Site Settings

Supplier Site Settings			
ABC Corp. Sites	Payment Terms	Pay Date Basis	Ship-To Location
 Tokyo	Net 30	Due	Tokyo Office
 Paris	2/10, Net 30	Discount	Headquarters
 New York	Net 30	Due	Headquarters

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### Supplier Site Settings

The graphic describes the Supplier site settings.

Recall the default value hierarchy flow. Entries made at the supplier level will default to the supplier site level. Defaulted information can be either accepted or overwritten with site-specific values. In the example above, notice that Tokyo and New York have payment terms of Net 30 and a Pay Date Basis of Due. Paris, however, has payment terms of 2/10, Net 30 and a Pay Date Basis of Discount.

## Supplier Level Versus Site Level Entry

### Supplier Level Versus Site Level Entry

Tabbed Region	Supplier Level	Site Level	
Organization	Yes	No	←
Tax Details	Yes	Yes	
Address Book	No	Yes	←
Contact Directory	Yes	No	←
Business Classification	Yes	No	←
Products and Services	Yes	No	←
Bank Details	Yes	Yes	
Surveys	Yes	No	←
Accounting	No	Yes	←
Tax and Reporting	Yes	Yes	
Purchasing	Yes	Yes	
Receiving	Yes	No	←
Payment Details	Yes	No	←
Invoice Management	Yes	Yes	

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### Supplier Level Versus Site Level Entry

The graphic describes the Supplier level versus the Site level entry.

Notice that information on the Organization, Contact Directory, Business Classification, Products and Services, Surveys, Receiving, and Payment Details pages is entered only at the supplier level.

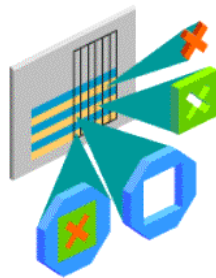
Information on the Address Book page is entered only at the supplier site level.

Assuming the Multiple Organization Support feature has been enabled, the Accounting page is also entered only at the site level.

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### Reviewing Suppliers

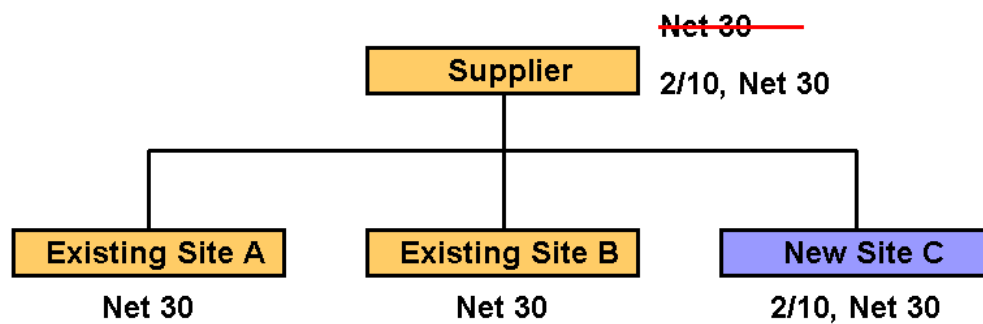
You can review suppliers in the Suppliers page.



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### Maintaining Supplier and Supplier Site Information

- Changed values default only to new documents that you subsequently create
- Where to make the change?



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### Maintaining Supplier and Supplier Site Information

The graphic describes maintaining supplier and supplier site information.

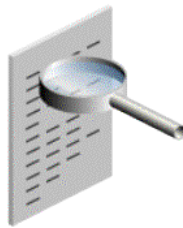
Changed values default only to new documents that you subsequently create. For example, a change to the payment terms for a supplier, will only default to new supplier sites you create.

If you want the changes to affect existing sites, then you must make the changes directly to the site. If you want the changes to affect both existing and new sites, then make the changes to both the supplier and any existing supplier sites.

## Adjusting Suppliers: Updating Supplier and Supplier Site Defaults

### **Adjusting Suppliers: Updating Supplier and Supplier Site Defaults**

Remember that when you make changes to values that default to Payables and Purchasing documents, the changed value defaults only to new documents you subsequently enter or create.



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### **Adjusting Suppliers: Updating Supplier and Supplier Site Defaults**

For example, if you change the Pay Group for a supplier site, the new Pay Group defaults to new invoices you enter, but the change does not affect existing invoices. Also, if you change a supplier value that defaults to supplier sites, the change only affects new supplier sites you create, but the change does not affect existing supplier sites. Therefore, the change does not affect documents you subsequently create for existing supplier sites. If you want a change to affect documents you enter or create for an existing supplier site, be sure to make the changes at the supplier site level.

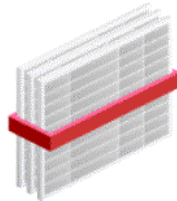
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### **Adjusting Suppliers: Updating Supplier Invoice Holds**

Holds are controlled at the supplier site.

For example, if you have enabled the Hold All Payments option for a supplier and supplier site, and you disable the option for the supplier, but not the supplier site, all unvalidated invoices for the supplier site will remain held for payment.

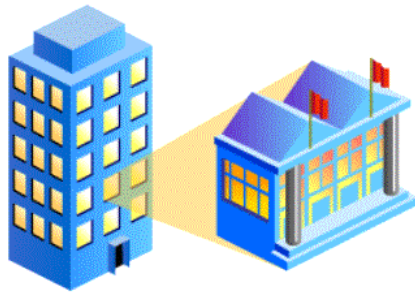
Use the Quick Update or Invoice Management pages to update the hold status.



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### **Adjusting Suppliers: Adding a New Supplier Site**

Enter the Supplier Site and address information. The Site Name will not appear on documents you send to the supplier; it is for your reference when you select a supplier site from a list of values during transaction entry.



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### **Adjusting Suppliers: Adding a New Supplier Site**

Enter the Supplier Site information in any of the Supplier pages. If supplier information automatically defaults to the new supplier sites you enter, you can override these defaults.

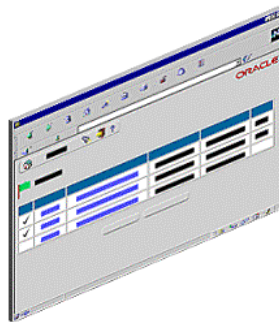


## Adjusting Suppliers: Updating a Supplier's Tax Status

### Adjusting Suppliers: Updating a Supplier's Tax Status

In the Tax Details page, make any changes to the Taxpayer ID or Tax Registration Number.

In the Tax and Reporting page, update the tax profile for the supplier and supplier sites.



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### Adjusting Suppliers: Updating a Supplier's Tax Status

Use the Suppliers : Tax Details page to change a supplier's Taxpayer ID or default Tax Registration Number. You can also use this page to update the tax information for supplier sites.

Use the Suppliers : Tax and Reporting page to change the tax profile for the supplier and supplier sites.

**Note:** If you are updating an existing supplier to 1099 reportable status after you have entered invoices and made payments to the supplier, then you may want to use the Update Income Tax Details Utility to make mass updates to existing invoices.

## Approving Supplier Requests

### Approving Supplier Requests

Suppliers with iSupplier Portal accounts can request updates to their supplier information. All supplier requests must be approved before the supplier record is updated.



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### Approving Supplier Requests

If you implemented Oracle iSupplier Portal, suppliers with iSupplier Portal accounts can request updates to the following supplier information:

- Address information
- Names of main contacts
- Business classifications
- Banking details
- Purchasing and Payables defaults
- Tax details
- Category information about the goods and services suppliers provide to their buyers.

You can view pending supplier update requests in the To Do region of the Suppliers page. Only the nominated next approver can update and Approve or Reject the request. General administrators, those with access to the pages, can review details but cannot save any changes. The requests are broken down by type:

**New Supplier Requests:** Each new supplier invited to use iSupplier Portal creates a New Supplier Request. Suppliers that have not responded to the invitation are listed with a status of Supplier to Provide Details. As an administrator, you can fill out the details on behalf of the

supplier if you need to approve them. Those prospective suppliers who have responded to the invitation and registered their details are listed as Pending Approval and can be reviewed and approved by the administrators identified in the approval flow hierarchy.

**Prospective Supplier Registrations:** The requests from walk-up supplier registrations. Suppliers can save in-process requests which appear as Draft requests. Those that have been submitted show as Pending Approval.

**Address, Contact, Business Classification, or Products and Services Requests:** The requests submitted by any supplier.

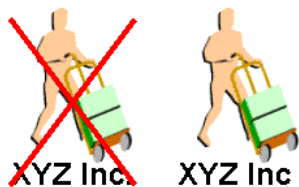
**Bank Account Requests:** The bank account request updates submitted by any supplier. The numbers next to the requests indicate the number of new account requests and also the number of assignment requests.

## Avoiding Duplicate Suppliers

### Avoiding Duplicate Suppliers

- Before setting up a new supplier, verify it doesn't already exist.
- System requires unique supplier names. Relies heavily on strong naming conventions.
- Benefits of avoiding duplicate supplier entry

Example #1



Example #2



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### Avoiding Duplicate Suppliers

Before setting up new suppliers or new sites, verify that the supplier or supplier site does not already exist. Potential duplicate suppliers can be identified through the following methods:

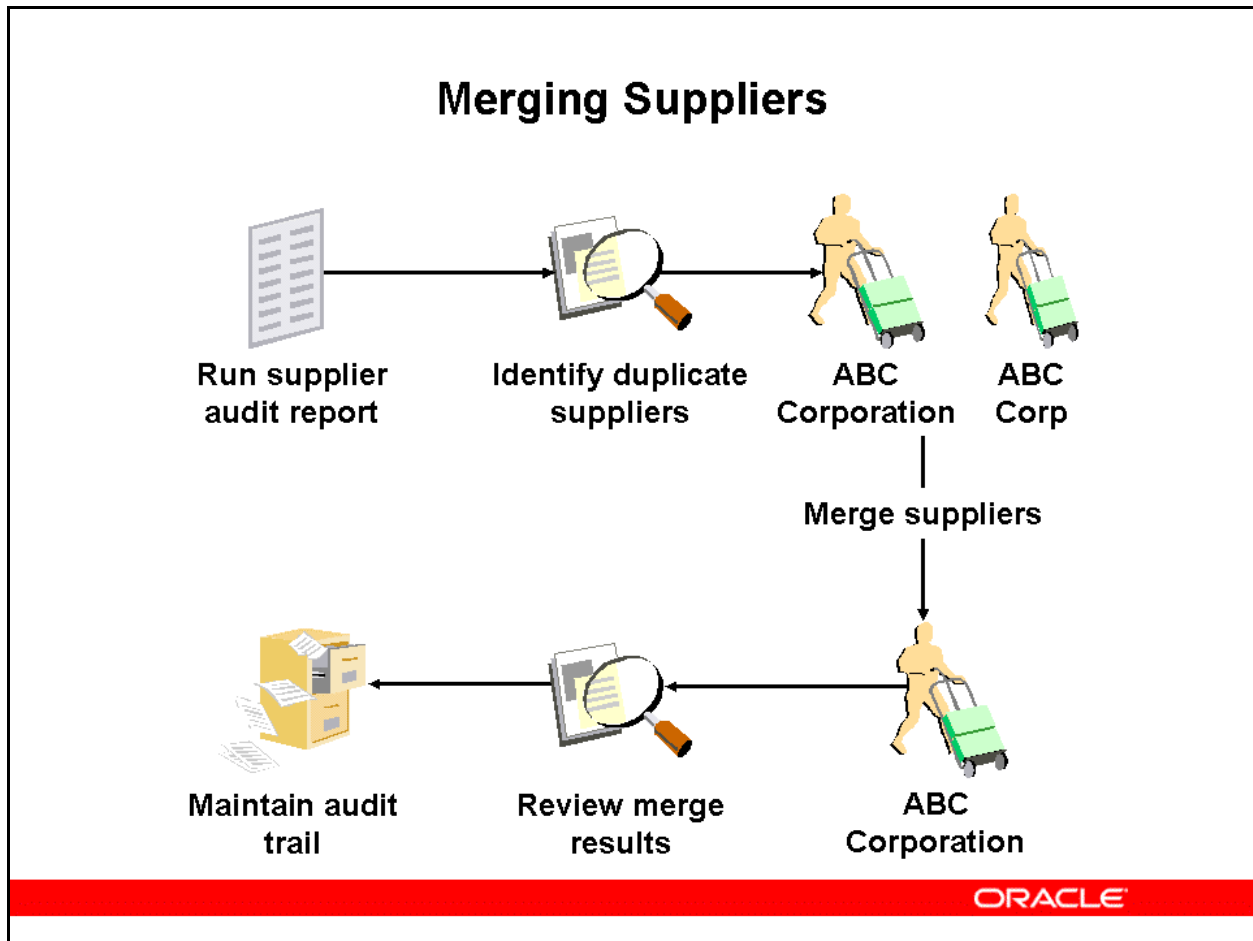
- Perform a Find or query on the supplier name
- Submit and review the Suppliers Report
- Submit and review the Supplier Audit Report to obtain a listing of suppliers whose names are the same up to a specified number of characters
- Submit the 1099 Suppliers Exception Report to obtain a listing of suppliers with the same taxpayer ID

Implement a naming convention to avoid duplicate entries. Avoiding duplicate supplier entry can benefit your company by:

- Preventing duplicate invoices and payments
- Providing accurate supplier reporting
- Improving system performance

If duplicate entries are found, consider using the Supplier Merge functionality to correct and consolidate records.

## Merging Suppliers



### Merging Suppliers

The graphic describes merging Suppliers.

Use the Supplier Merge program to maintain your supplier records. You can use it to merge duplicate suppliers into a single, consolidated supplier and to merge transactions within the same supplier from one supplier site to a different supplier site. You can choose to merge all transactions for a supplier into a new supplier, or you can just choose to merge unpaid invoices. This option is useful in the case of an acquisition. In that case, you might want to leave all of the transaction history with the original supplier and only merge unpaid invoices to the new supplier who now wants to receive the payments.

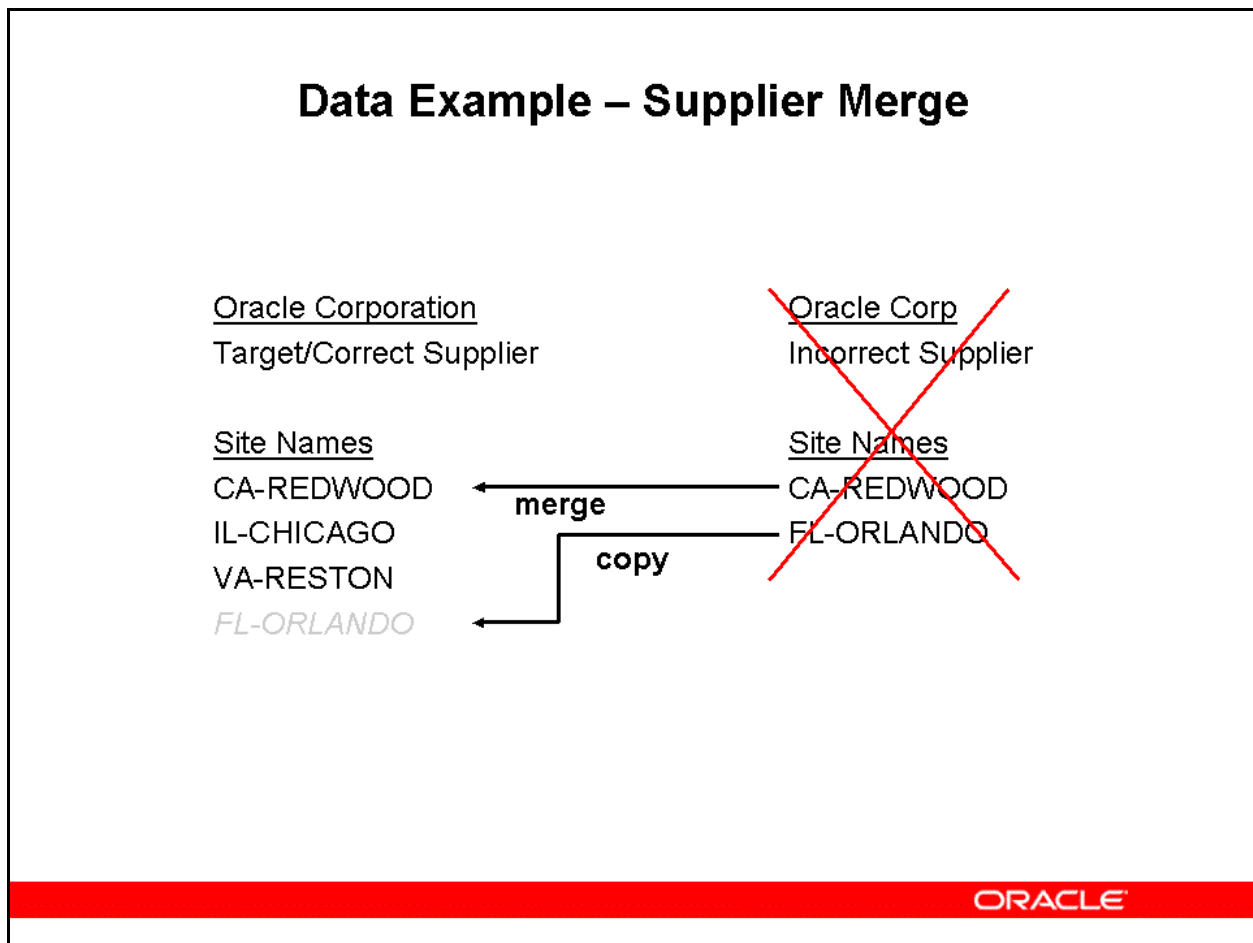
**Note:** Merging suppliers is an irreversible action. You cannot reverse the merge once it has completed. Before you initiate the merge program, you should be sure that the action you want to take is final.

Once the merge process is complete, the resulting site names for each supplier at the end of the process must be unique within that supplier. For example, the request to copy a site named "TX-DALLAS" to a supplier with a site with the same name would not be successful as it would result in duplicate site names for the same supplier after the merge. Where this situation exists, rename one of the sites to complete the merge.

In addition, you need to decide the effect the merge will have on existing purchase orders and invoices.

- For purchase orders, you indicate whether you want all or none of the existing purchase orders to be updated with the new supplier/site names.
- For invoices, you can indicate whether you want all, only unpaid, or none of the invoices to be updated with the new supplier/site names.

## Data Example – Supplier Merge



### Data Example - Supplier Merge

The graphic describes the example of Supplier merge.

In this example, Oracle Corp. is merged with Oracle Corporation. Oracle Corp has two supplier sites: CA-REDWOOD, which will be merged into the existing CA-REDWOOD site of Oracle Corporation; and FL-ORLANDO which will be copied as a new site to Oracle Corporation. If Oracle Corporation had two sites in Orlando, then the merge process would have to be preceded by first adjusting the name of one or the other supplier sites. For example, you may decide to append a “-2” to the FL-ORLANDO site of Oracle Corp to indicate it is the second site in Orlando. For best auditing results, transfer both paid and unpaid invoices to a new supplier and site so you can identify duplicate payments easily. Also, transfer purchase orders to a new supplier and site so all invoice and purchase order information refers to the same supplier.

**Note:** The supplier merge process is permanent.

### Merging Suppliers

After you have merged suppliers, Payables automatically prints the following reports:

- Purchase Order Header Updates Report
- Supplier Merge Report



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### Merging Suppliers

The Supplier Merge Report will list invoices that could not be merged because they would result in duplicate invoice numbers for the same supplier. You'll need to research these invoices and adjust them as appropriate. Consider attaching both reports to each supplier record for future reference. Additionally consider creating an attachment to be placed on both supplier records documenting the discovery and research that supports how the merge was carried out in the system.



## Reports

## Reports

<b>Suppliers Report</b>
<b>Supplier Audit Report</b>
<b>Supplier Payment History</b>
<b>Supplier Paid Invoice History</b>
<b>Supplier Mailing Labels</b>
<b>Purchase Order Header Updates Report</b>
<b>Supplier Merge Report</b>

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## Reports

The graphic lists Supplier reports provided in Payables.

## Suppliers Report

Review supplier, supplier site, and supplier site contact information.

## Supplier Audit Report

Review supplier names that are similar, to help identify potential duplicate suppliers.

### Supplier Payment History

Review supplier payment history, including voided payments, for a supplier or a group of suppliers.

## Supplier Paid Invoice History

Review the supplier invoice history, including discount and partial payment information, for a supplier or a group of suppliers.

## Supplier Mailing Labels

Create mailing labels for supplier sites.

## Purchase Order Header Updates Report

Review purchase orders updated by the Supplier Merge Process.

## Supplier Merge Report

Review the suppliers, sites, and invoices updated by the Supplier Merge Process.

<b>Supplier Customer Netting Report</b>
<b>Supplier Open Balance Letter</b>
<b>Invalid PO Supplier Notice</b>
<b>Accounts Payable Trial Balance Report</b>
<b>Invoice Aging Report</b>
<b>Open Items Revaluation Report</b>

## Reports (continued)

## Supplier Customer Netting Report

## Supplier Open Balance Letter

## Invalid PO Supplier Notice

### Accounts Payable Trial Balance Report

## Invoice Aging Report

Use this report to view your unpaid invoices. This report provides information about invoice payments due within four time periods you specify in the Aging Periods window.

**Open Items Revaluation Report**

Use this report to revalue the balances of your open items. Open items in this report are all invoices (including prepayments, credit memos, and debit memos) that are unpaid as of the last date of the revaluation period you specify.

## Financials Options

Financials Options		
Supplier-Purchasing		
RFQ Only Site		
Ship-To Location		
Bill-To Location		
Inventory Organization		
Ship VIA		
FOB		
Freight Terms		

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### Financials Options

The graphic lists Financials options in Payables.

(N) Setup > Options > Financial Options

Use Financials Options to define Supplier defaults across all Oracle Financials applications, including Payables. You can define supplier- and supplier site-specific defaults in the Suppliers page.

#### **RFQ Only Site**

Indicates that you can create RFQs in Purchasing for this site. You cannot, however, create purchase orders using an RFQ Only site.

#### **Ship-To Location and Bill-To Location**

These locations are your addresses where suppliers generally send either shipments for goods or services or where they send the invoice. These locations are often not the same.

#### **Inventory Organization**

The Purchasing inventory organization.

#### **Ship Via**

Indicates the preferred freight carrier your company uses.

#### **Free on Board (FOB)**

Indicates the point at which cost for damage or loss of goods transfers to you from the supplier.

**Freight Terms**

Indicates whether you or your supplier pays the freight charges for the goods you ordered.

Financials Options		
Human Resources		
	Expense Reimbursement Address	

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### Financials Options (continued)

The graphic lists Financials options in Payables.

(N) Setup > Options > Financial Options

#### Expense Reimbursement Address

Indicates whether employee expense reimbursement checks will be mailed to employees at their home or office address. This value is used when the Automatically Create Employee as Supplier option is enabled which will automatically create a supplier record based on the employee record in Human Resources. This supplier will have a site named either home or office along with the corresponding address.

## Payables System Setup

Payables System Setup	
<b>Supplier</b>	
<b>Supplier Number</b> <ul style="list-style-type: none"><li>•Entry</li><li>•Type</li><li>•Next Automatic Number</li></ul> <b>Control</b> <ul style="list-style-type: none"><li>•Invoice Match Option</li><li>•Hold Unmatched Invoices</li></ul>	<b>Payment</b> <ul style="list-style-type: none"><li>•Invoice Currency</li><li>•Pay Group</li><li>•Terms Date Basis</li><li>•Pay Date Basis</li><li>•Payment Terms</li><li>•Always Take Discount</li><li>•Create Interest Invoices</li></ul>

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### Payables System Setup

The graphic lists Payables System setup.

(N) Setup > Options > Payables System Setup

Use the Payable System Setup Options to define the general supplier defaults for Payables. You can define supplier- and supplier site-specific defaults in the Suppliers page.

**Supplier Number Entry.** Select an option to enter your supplier numbers manually or let Payables automatically generate sequential supplier numbers for you. You can change the number entry method at any time. Options include: Automatic, the system automatically assigns a unique sequential number to each supplier when you enter a new supplier; Manual, you enter the supplier number when you enter a supplier.

**Important:** Be careful if you switch from manual to automatic entry. Each supplier number must be unique.

**Supplier Number Type.** Select the type of supplier number you want Payables to use for supplier number entry. Options include Alphanumeric or Numeric. After you begin entering suppliers, you can change your Number Type from numeric to alphanumeric at any time. However, you can change your Number Type from alphanumeric to numeric only if all of your current supplier numbers are numeric.



**Next Automatic Number.** Enter the starting value you want the system to use for generating unique sequential supplier numbers. This field is available if you select Automatic as the Supplier Number Entry. After you enter a number and save your changes, the system displays the number that it will assign to the next new supplier you enter.

**Invoice Match Option.** Select Purchase Order or Receipts to indicate how you want to match most invoices. Defaulting is in the following order, but can be overridden at any level: Payables System Setup > supplier > supplier site > purchase order shipment. The value at the purchase order shipment controls which purchasing document type that you can match to an invoice.

**Hold Unmatched Invoices.** If you enable this option for a supplier site, Payables applies a Matching Required hold to an invoice if it has Item type distributions that are not matched to either a purchase order or receipt. Payables applies the hold during Invoice Validation. You cannot pay the invoice until you release the hold. You can release this hold by matching the invoice to either a purchase order or receipt, and resubmitting Invoice Validation. You can manually release the hold in the Holds tab of the Invoice Workbench or through Workflow. Payables does not apply a hold if the sum of the invoice distributions by accounting code combination is zero. Payables does not apply this hold to Prepayment or Interest invoices.

### **Invoice Currency**

This is the currency typically used for invoice entry.

### **Pay Group**

This is one of the methods Payables uses to specify which invoices should be selected during payment run processing.

### **Terms Date Basis**

Payables uses this date as a basis for calculating scheduled payments. Valid options are:

- Goods Received
- Invoice (Date)
- Invoice Received
- System (Date)

### **Pay Date Basis**

Determines if payment is made to the supplier by the discount date or by the due date.

Expense Report Import creates a supplier record only if one does not already exist.

### **Payment Terms**

Defaults for supplier payment terms.

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VENDOR TYPE
MINORITY GROUP
PAY GROUP
FREIGHT TERMS
SHIP_VIA
FOB

## Lookup Codes

(N) Setup > Payables > Lookup Codes

Purchasing provides Employee, Supplier, and Public Sector Companies. These codes are used to classify suppliers for reporting purposes. You enter this value in the Type field of the Classification region of the Suppliers window. The Tax Authority supplier type indicates suppliers to whom you remit withholding taxes.

Purchasing provides no Minority Group codes, but you can define your own. Minority Group codes are used to classify suppliers for reporting purposes.

Pay Groups can be assigned to Payables invoices. Then Payables payment runs can be limited to invoices assigned to a specified Pay Group. The system provides no Pay Group lookups, but you can define your own in this window.

Default Freight Terms for the supplier.

**Ship\_Via**

Define default Ship Via codes. Purchasing provides no Reply/Receive Via codes, but you can define your own.

**FOB**

Purchasing provides no FOB codes, but you can define your own. This code is printed on your purchase orders.

## Profile Options

---

Profile Options	
PO: Secondary E-mail Address	
PO: In File Path	
PO: Terms and Conditions File Name	

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### Profile Options

The graphic lists profile options.

System Administrator Responsibility

(N) Profiles > System

#### **PO: Secondary E-mail Address**

This profile option allows you to send a copy of the e-mail PO to your company. If you wish to resend the e-mail, you will need to log into this secondary e-mail account and resend it from there.

#### **PO: In File Path**

Enter the absolute path of the directory where the generic terms and conditions file is placed.

#### **PO: Terms and Conditions File Name**

Enter the name of the generic terms and condition file that will be printed on your purchase documents.

## Additional Implementation Considerations Responsibility for Supplier Entry/Maintenance

### Additional Implementation Considerations Responsibility for Supplier Entry/Maintenance

- Assign responsibility for supplier entry/maintenance
- Number of staff required
- Consider good internal control and segregation of duties



**2 Payables Clerks**

**Create/adjust  
suppliers**



**1 PO Clerk**

**Add purchasing  
contacts**

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### Additional Implementation Considerations - Responsibility for Supplier Entry/Maintenance

You must determine where the operational responsibility for supplier entry and maintenance should be assigned. Typical options are within either the Accounts Payable or Purchasing departments. While many people throughout the organization will use established supplier records, typically only a few people within the assigned department add/maintain supplier records. The level of staffing requirements for this function must be determined based on volume and effort. Proper placement of the responsibility must consider good internal control policies/practices and proper segregation of duties. You may wish to consult with your internal or external auditors prior to making a final decision on these issues.

## Additional Implementation Considerations - Supplier Naming Conventions

### Additional Implementation Considerations - Supplier Naming Conventions

- **Benefits**
  - Prevent duplicate invoices and payments
  - Improve system performance and supplier inquiries
  - Provide accurate supplier reporting
- **Who should develop the naming conventions?**
- **Document with sign-off by authorized approver(s)**



**Purchasing**



**Payables**



**Assets**



**Others**

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### Additional Implementation Considerations - Supplier Naming Conventions

Suppliers naming conventions, as well as supplier site naming conventions, are critical to the efficiency of the purchasing and payables operations.

Examples of administrative inefficiencies and increased costs due to a poorly maintained supplier list are:

- You issue more purchase orders or releases than necessary. If pricing is on a non-cumulative basis, volume discounts may be lost when in fact you're entitled to them.
- You issue more payments than necessary and therefore have a larger reconciliation effort.
- You may review volume purchases with suppliers above a defined dollar amount to identify opportunities for better price negotiations. If a supplier had erroneously been entered twice, they may be missed when separately they don't exceed the amount, but if entered correctly as a single supplier they exceed the amount.
- A poorly maintained supplier list can cost the organization volume discounts they are entitled to, as well as incurring administrative costs associated with maintaining a larger supplier list than is necessary.

Remember to include all interested parties in the development of supplier naming conventions - Purchasing, Payables, Assets, others? If you're implementing with a phased approach - maybe Assets is scheduled for Phase 2 of your implementation, for example - you should still consult all parties. This will ensure that the organizational goals are considered above individual unit goals, as well as ensuring that both immediate and long term system implementation goals are considered. Agree upon naming conventions, document them and then obtain sign-off by authorized approvers.

## Additional Implementation Considerations - Supplier Naming Convention Examples

---

### **Additional Implementation Considerations - Supplier Naming Convention Examples**

#### **Examples**

- Exact spelling decided for easily misspelled suppliers
- Exact spelling for top ten priority suppliers
- Determine use of case (CAPS, Title Case)
- List approved abbreviations
- Determine use of punctuation and special characters
- Site name structure
- Address format

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### **Additional Implementation Considerations - Supplier Naming Convention Examples**

You may consider providing the exact spelling you'll use for suppliers whose names are easily misspelled. Duplicate suppliers are often found for companies such as IBM or AT&T which may be spelled out or may be entered with or without spaces or punctuation. To ensure close management of critical suppliers, you may document the spelling for your top ten suppliers.

You will improve your success of locating supplier records more efficiently if you:

- Use a standard case, whether it is all capital letters or title case.
- Use approved abbreviations, even if sufficient space is available to spell out the word. For example, use "Inc" for Incorporated or "Co" for Company.
- Standardize rules of punctuating. You may decide to eliminate punctuation due to the limited number of characters available for the supplier name and the supplier site name.

Any structure being considered for the site name must be brief as there are only 15 characters available. An example of a possible structure for the site name might include the following:

SS-CCCCCCCC-##

Sequentially assigned number to accommodate multiple sites in the same city



- Eight character city name/abbreviation
- Two digit federal post office abbreviation

You may also want to refer to the US Postal Service's web site on the address standards applicable to your business when you determine your address standards for entering street, city, state and zip. This may provide an opportunity to obtain lower pricing on your postage costs due to properly addressed mail produced directly from the system.

## Additional Implementation Considerations - Supplier Numbering Options

### Additional Implementation Considerations - Supplier Numbering Options

- Two choices
  - Automatic (numbers only)
  - Manual (alphanumeric or numeric)
- Switch from manual to automatic
  - Ensure that Next Automatic Number is larger than the largest number assigned

Automatic	Manual
2114	EE103
2115	GV104
2116	ST105
2117	ST106

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### Additional Implementation Considerations - Supplier Numbering Options

You have the option of using either automatically assigned or manually assigned supplier numbers.

- Automatically assigned numbers will use numeric characters only
- Manually assigned numbers can use either numeric or alphanumeric characters.

You should be careful when using manual numbering that the decision doesn't result in the need to create an off-line, manual, paper-based supplier number tracking mechanism. You should also be careful of adding intelligence to the supplier number by imbedding information already kept by the system elsewhere. There is no automated check in the system to ensure the information is synchronized in both places. For example, a company may prefix their supplier numbers with a group designation. Employee type supplier numbers prefixed with EE, government type suppliers prefixed with GV, etc. As there is already a field on the Classification tabbed region to hold type of supplier, the possibility exists for the values to conflict. There would also be no reporting capability against that piece of the supplier number.

When using automatic numbering, you can set the next automatic number to be assigned. You may not want your first supplier to be assigned the number "1", but rather #1000. Some implementations set the numbering to manual to load their current supplier file and maintain

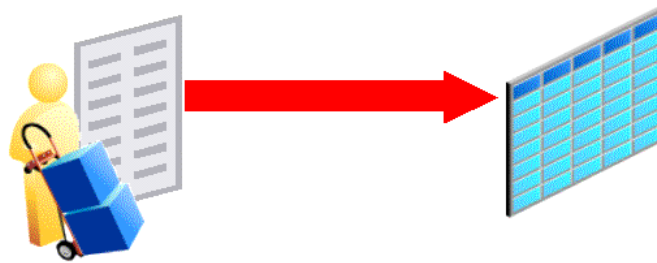
the numbers from their old system. Once completed, they will increase the next automatic number to another range (maybe 10000, if they converted in 8000 existing suppliers), so that it will be evident which suppliers came from their current system and which were created in Oracle. When switching from manual to automatic numbering, you should ensure that the Next Automatic Number to be assigned has been reset to a number larger than the largest assigned number. For example, if the highest number assigned is 11215, set the next automatic number to at least 11216, but maybe even to 12000.

## Additional Implementation Considerations - Supplier Open Interface

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### **Additional Implementation Considerations - Supplier Open Interface**

You can use the Supplier, Supplier Site and Supplier Contacts Open Interfaces to import supplier information into Payables



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### **Additional Implementation Considerations - Supplier Open Interface**

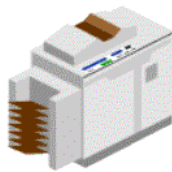
#### **Supplier Conversion Methodology**

When you import supplier information, consider your agreed upon supplier and site naming conventions discussed earlier to cleanse your supplier records before import to ensure only clean data is entered into the system. Also, review the available standard supplier reports to determine whether you need to adjust supplier records to avoid duplicate supplier records.

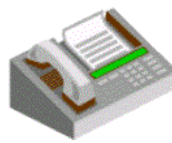
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### Additional Implementation Considerations Setup of Fax or E-Mail

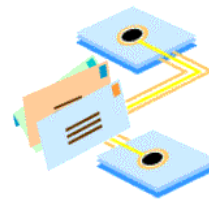
Options for Communicating Approved Purchasing Documents to Suppliers



Printed Document



Facsimile



E-Mail

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### Additional Implementation Considerations Setup of Fax or E-Mail

You have the option of communicating approved purchasing documents to your suppliers by printed document, facsimile or e-mail.

- **Printed Document:** Printed purchasing documents are produced by submitting the Printed Purchase Orders Report or Printed Change Orders Report in either landscape or portrait format.
- **Facsimiles:** If you have installed CommercePath, or any facsimile software that is compatible with the CommercePath Fax Command Language (FCL), Purchasing can automatically send facsimiles of the Printed Purchase Order Report (Portrait and Landscape) and Printed Change Orders Report (Portrait and Landscape).
- **E-Mail:** If you intend to forward documents to suppliers by e-mail, the proper e-mail address must be provided for the supplier site. You can also have a copy of the document mailed to your enterprise by entering the appropriate e-mail address in the PO: Secondary E-mail Address profile option. You'll log into this e-mail address to resend the e-mail.

Generic terms and conditions can be appended on the e-mail PO body by putting them in a text file. You can identify the directory location and the file name by setting the profile options PO: In File Path and PO: Terms and Conditions File Name.

### Summary

In this module, you should have learned how to:

- Define suppliers and supplier sites
- Identify key reports
- Understand setup options
- Understand additional implementation considerations

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## Quiz

---

### Quiz

Suppliers can be set up from many different applications, but the data is stored in a single repository called the Trading Community Architecture (TCA).

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 3-4.

## Quiz

---

### Quiz

You can create:

1. Standard suppliers
2. Employee suppliers
3. None of the Above

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**Answers: 1, 2**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 3-11.



## Quiz

---

### Quiz

You set up suppliers in the Suppliers page to record information about companies and individuals from whom you purchase goods and services.

1. True
2. False

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**Answers: 1, 2, 3**

#### Quiz Specifications

- The Quiz question should be polled after the Slide 3-5.

## Quiz

---

### Quiz

As part of the supplier profile, you can create custom questionnaires that can be used to gather feedback from suppliers' surveys:

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 3-18.

## Quiz

---

### Quiz

Suppliers generally send invoices and shipments for goods and services to and Bill-To Locations.

1. Ship-To Location
2. Bill-To Location
3. None of the Above

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**Answers: 1, 2**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 3-21.

## Quiz

---

### Quiz

Oracle Purchasing supports the following types:

1. Standard
2. Blanket
3. Contract
4. Planned
5. None of the Above

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**Answers: 1**

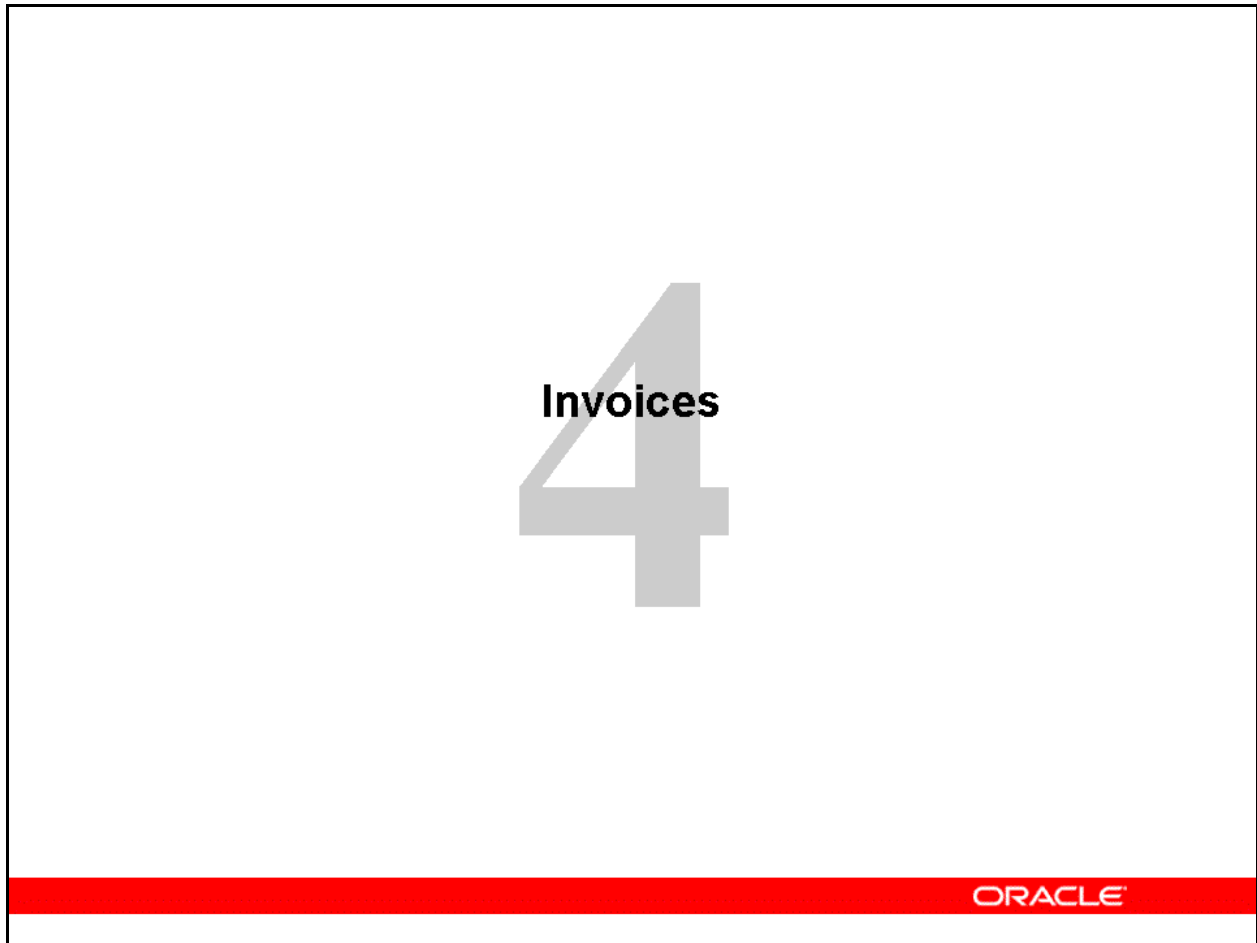
#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 1-9.

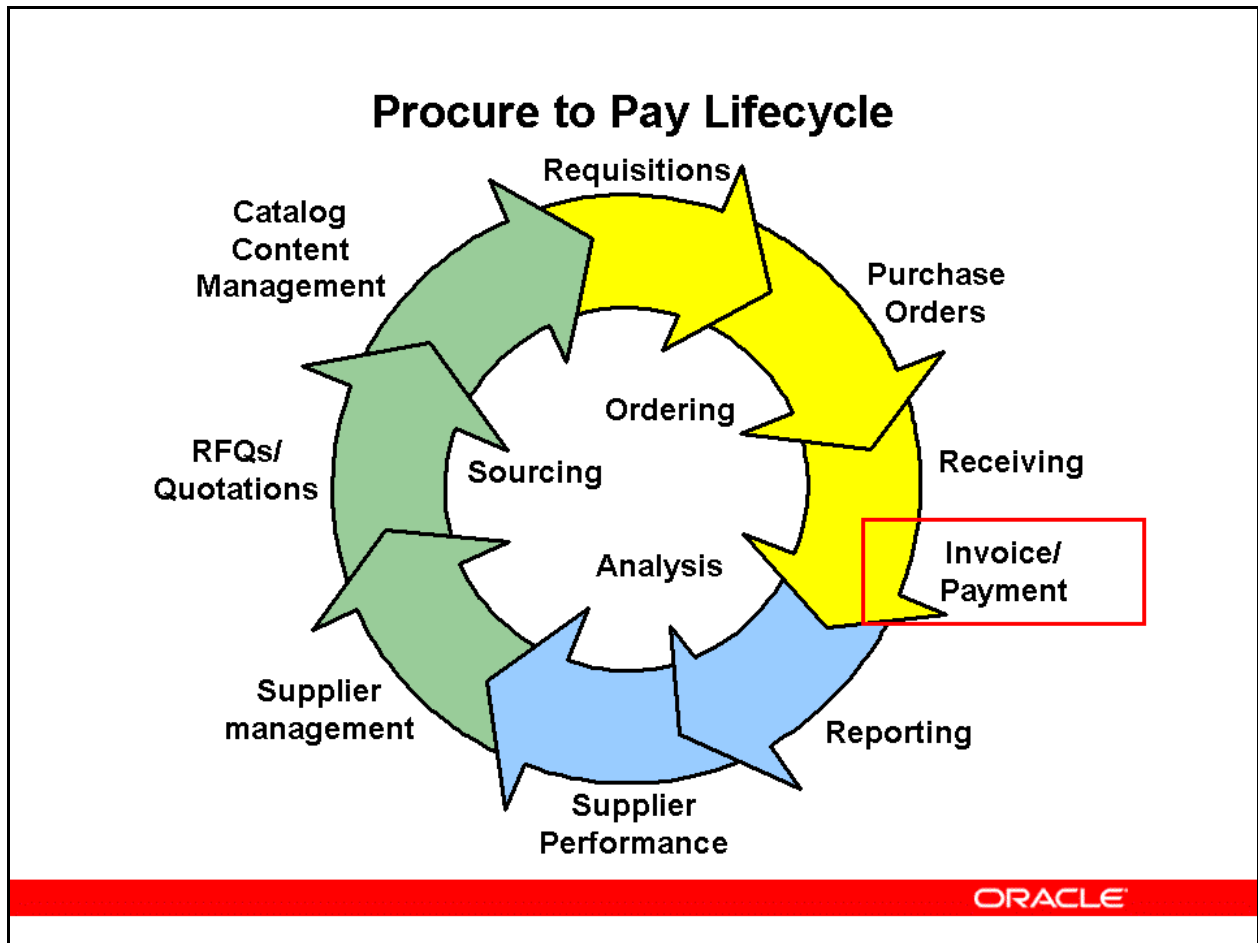
# Invoices

## Chapter 4





## Procure to Pay Lifecycle



## Procure to Pay Lifecycle



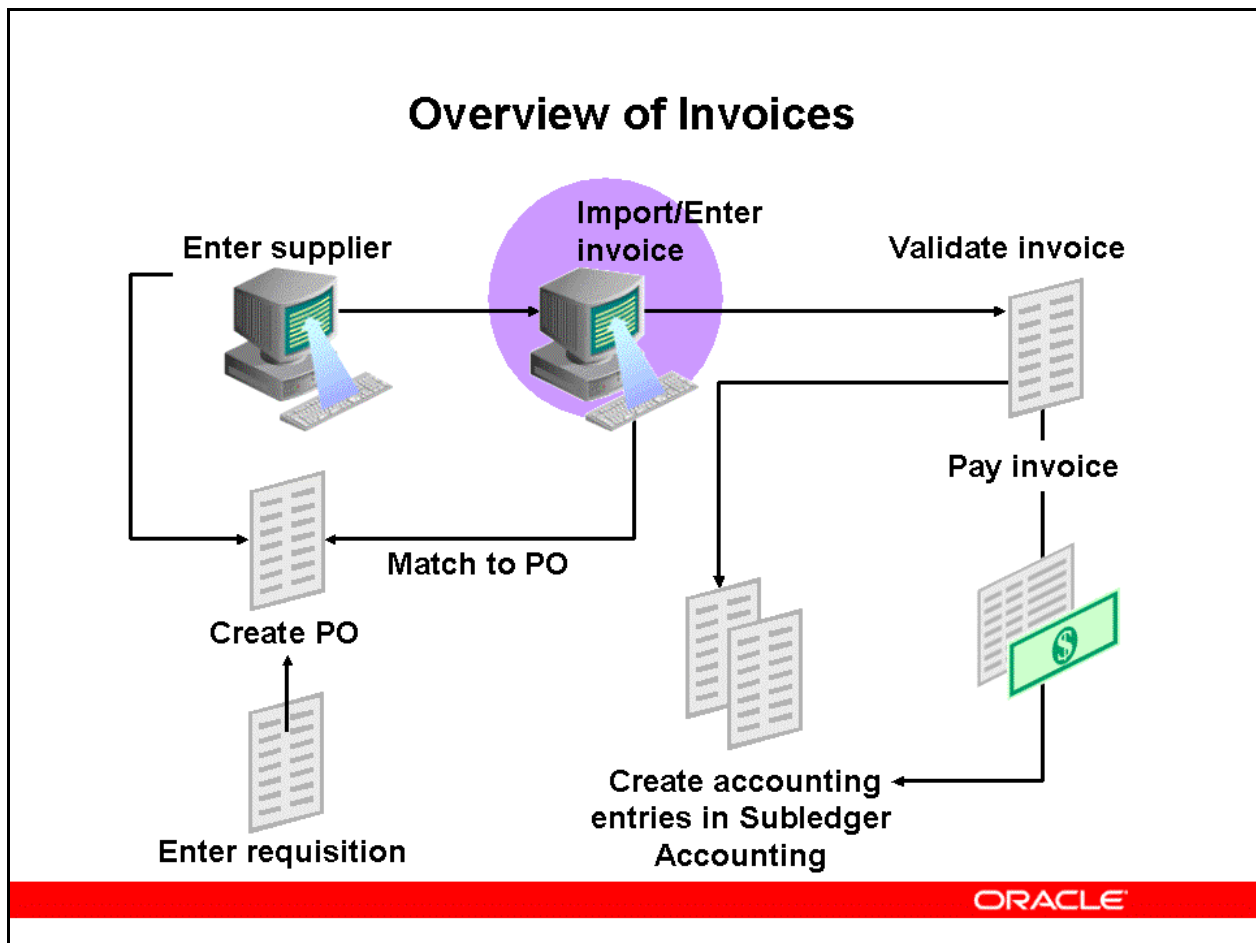
### **Objectives**

After completing this module you should be able to do the following:

- Import/Enter invoices and invoice distributions
- Match to purchase orders
- Validate invoices
- Apply and release holds
- Understand invoice approval workflow
- Understand key reports
- Understand setup options
- Understand additional implementation considerations

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## Overview of Invoices



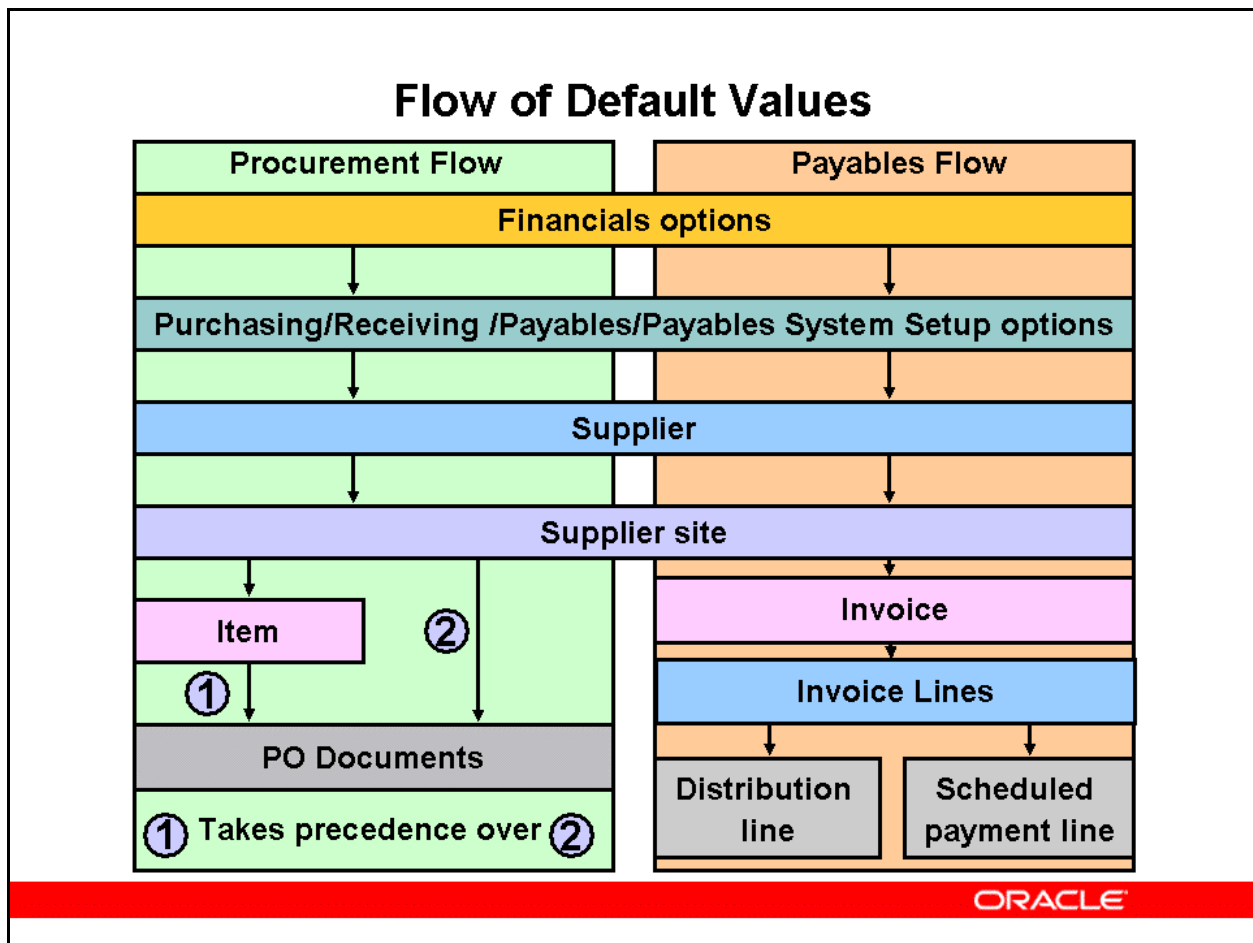
### Overview of Invoices

The graphic describes Invoice overview.

**Note:** The Payables product fits within the procure to pay process flow. Entering suppliers should have been covered at this point.

An *invoice* is an itemized list of goods shipped or services rendered, with an account of all costs. Oracle Payables lets you capture all the attributes of the real-life invoice documents you receive from your suppliers. You can import invoices from external sources (other Oracle applications or Third Party applications) using the Payables Open Interface, or you can enter them in Payables, using the Invoice Workbench or Quick Invoices windows.

## Flow of Default Values



### Flow of Default Values

The graphic lists the default values of Payables flow.

- Defaults set at higher levels flow down to lower levels where you can override them.
- Defaults reduce data entry by providing default values based on corporate policy. Optional defaults (especially the higher level ones) should be left blank if you frequently override them.
- Purchase order matched invoices will receive defaults from the purchase order you specify when you match.


**Note:** Changes to default values affect only new records, not existing records. For example, if payment terms in the Payables Options window are reset to Net 30 from Net 45, new suppliers will have a default of Net 30. Existing suppliers will have terms of Net 45.

## Invoice Types

---

### Invoice Types

- Standard
- Credit Memo
- Debit Memo
- Mixed
- Prepayment
- Expense Report
- Withholding Tax
- Interest
- Retainage Release
- Transportation Invoices



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### Invoice Types

The graphic lists Invoice types.

#### **Standard**

An invoice from a supplier representing an amount due for goods or services purchased. Standard invoices can be either matched to a purchase order or not matched.

#### **Credit Memo**

A memo from a supplier representing a credit amount toward goods or services.

#### **Debit Memo**

An invoice you enter to record a credit for a supplier who does not send you a credit memo.

#### **Mixed**

An invoice type you enter for matching to both purchase orders and invoices. You can enter either a positive or a negative amount for a Mixed invoice type.

#### **Prepayment**

A type of invoice you enter to pay an advance payment for expenses to a supplier or employee.

#### **Expense Report**

An invoice representing an amount due to an employee for business-related expenses.

**Withholding Tax**

An invoice you enter to remit taxes withheld to the appropriate tax authority.

**Interest**

If you allow interest invoices, payables will automatically calculate interest for overdue invoices and create interest invoices for selected suppliers.

**Retainage Release**

Invoices created for complex work and advance contract financing.

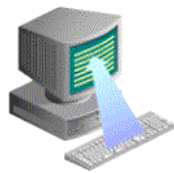
**Transportation Invoices**

Invoices from freight payment.

### Entering Invoices Overview

You can manually enter invoices into Payables using:

- Invoice Workbench
- Quick Invoices window



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### Entering Invoices Overview

You can manually enter supplier invoices in either the Invoice Workbench or the Quick Invoices window. You can match to purchase orders when entering these invoices.

#### Invoice Workbench

(Invoice Batches window, Invoices window, Distributions window, and the associated windows). Use the Invoice Workbench to enter any invoice directly into the Payables system. You use this instead of the Quick Invoices window when entering complex invoices or invoices that require online validation and defaulting. Also, use this window when entering an invoice that needs immediate action, such as payment.

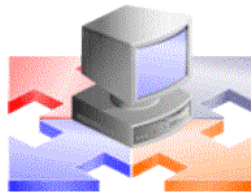
#### Quick Invoices window

Use the Quick Invoices window for high-volume invoice entry for invoices that do not require extensive validation and defaults. After entering invoices in the Quick Invoices window, import them into Payables. Validation and defaulting occurs during import.

### Creating Invoices Automatically

Your system can create the following types of invoices:

- Recurring Invoices
- RTS Invoices
- Retroactive Price Adjustment Invoices



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### Creating Invoices Automatically

#### **Recurring Invoices**

You can set up your system to automatically create periodic invoices, for example, rent invoices.

#### **RTS Invoices**

If you use Return to Supplier feature in Oracle Purchasing, the system creates these debit memos directly in your Payables system.

#### **Retroactive Price Adjustment Invoices.**

If Oracle Purchasing users use the Retroactive Pricing of Purchase Orders feature, the system automatically creates Adjustment and PO Price Adjustment invoices.

### Adjustment and PO Price Adjustment Invoices

You can use the Invoice Workbench to view and query by example Adjustment and PO Adjustment invoices.

- You cannot enter or update these invoices.
- You cannot match these invoices to receipts and purchase orders.



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### Adjustment and PO Price Adjustment Invoices

The two types of adjustment invoices are:

#### **PO Price Adjustment Invoice**

This invoice is for the difference in price between the original invoice and the new purchase order price. PO price adjustment invoices can be matched to both purchase orders and invoices.

#### **Adjustment Invoice**

This invoice effectively reverses any outstanding regular Payables price corrections and PO Price Adjustment invoices. This is so the PO Price Adjustment document can be for only the price difference between the original invoice and the new PO price.

These adjustment invoices can be positive, negative, or zero amount. When the original invoice and its related adjustment documents are paid, the net effect is as if the original invoice had always had the new price. The supplier is paid the appropriate amount, and the accounting is adjusted accordingly.

You cannot manually enter these types of invoices, nor can you adjust or cancel them. You can view, report on, validate, account for, and pay them.

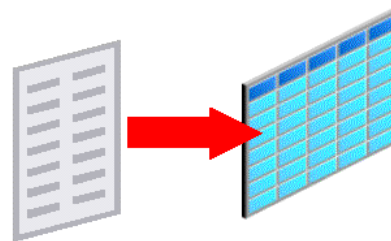


## Invoice Import

### Invoice Import

You can import invoices or invoice information to create invoices in Payables.

- Oracle Internet Expenses expense reports
- Payables expense reports
- Credit Card invoices
- EDI invoices
- XML Invoices
- Invoices from external systems
- Oracle Property Manager invoices
- Oracle Assets lease payments



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### Invoice Import

#### **Oracle Internet Expenses expense reports**

Expense reports your employees enter using a Web browser.

#### **Payables expense reports**

Expense reports entered in the Payables Expense reports window by the Payables department.

#### **Credit Card invoices**

Invoices for employee credit card expenses. The credit card company sends you these invoices as a flat file.

#### **EDI Invoices**

Electronic invoices transferred from Oracle e-Commerce Gateway.

#### **XML Invoices**

Electronic invoices transferred from the Oracle XML Gateway. See: XML Invoices, *Oracle Payables Implementation Guide*.

#### **Invoices from external systems**

Invoices, such as invoices from legacy systems, loaded using SQL\*Loader.

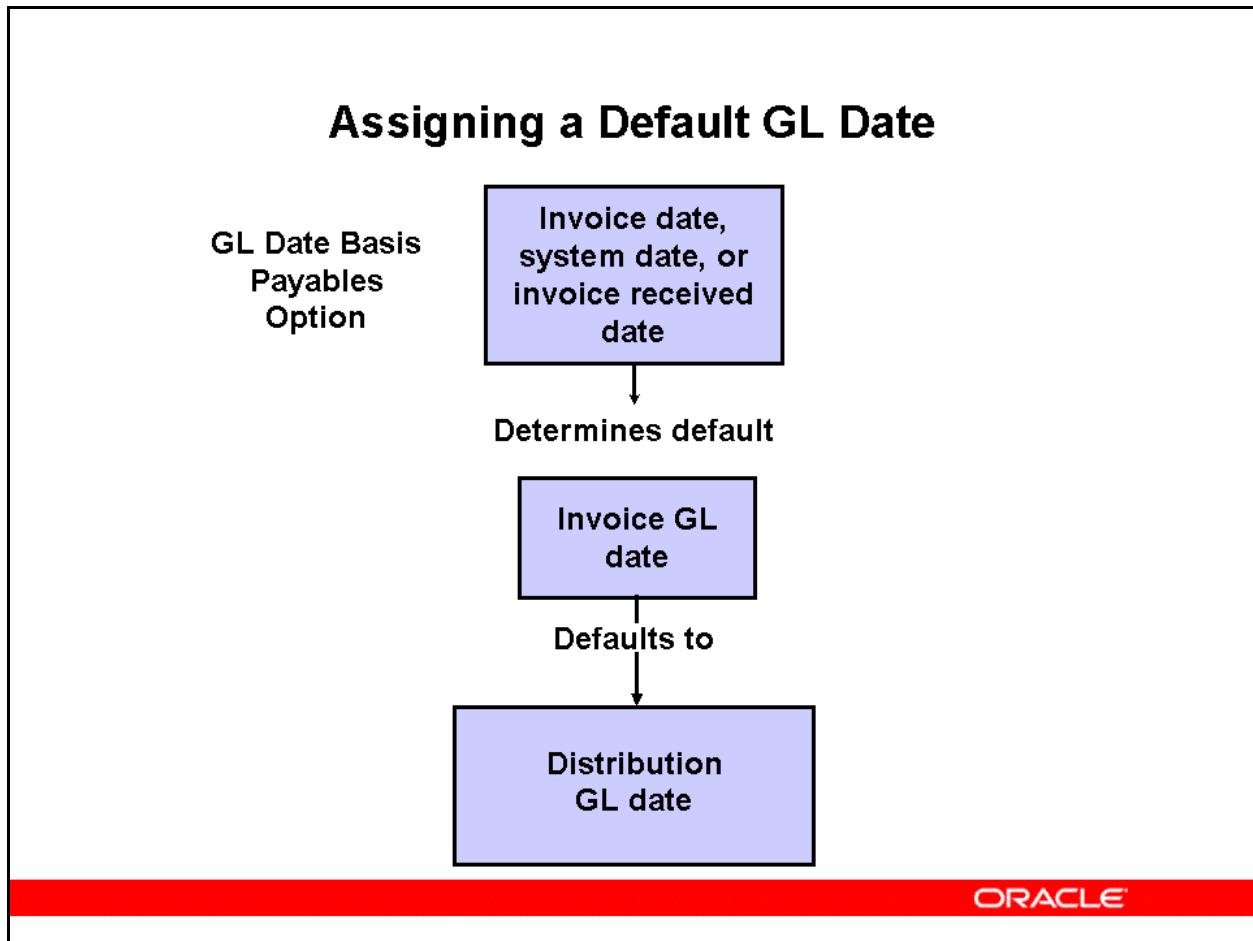
#### **Oracle Property Manager invoices**

Lease invoices transferred from Oracle Property Manager.

**Oracle Assets lease payments**

Lease payments transferred from Oracle Assets.

## Assigning a Default GL Date



### Assigning a Default GL Date

The graphic describes assigning default GL Date.

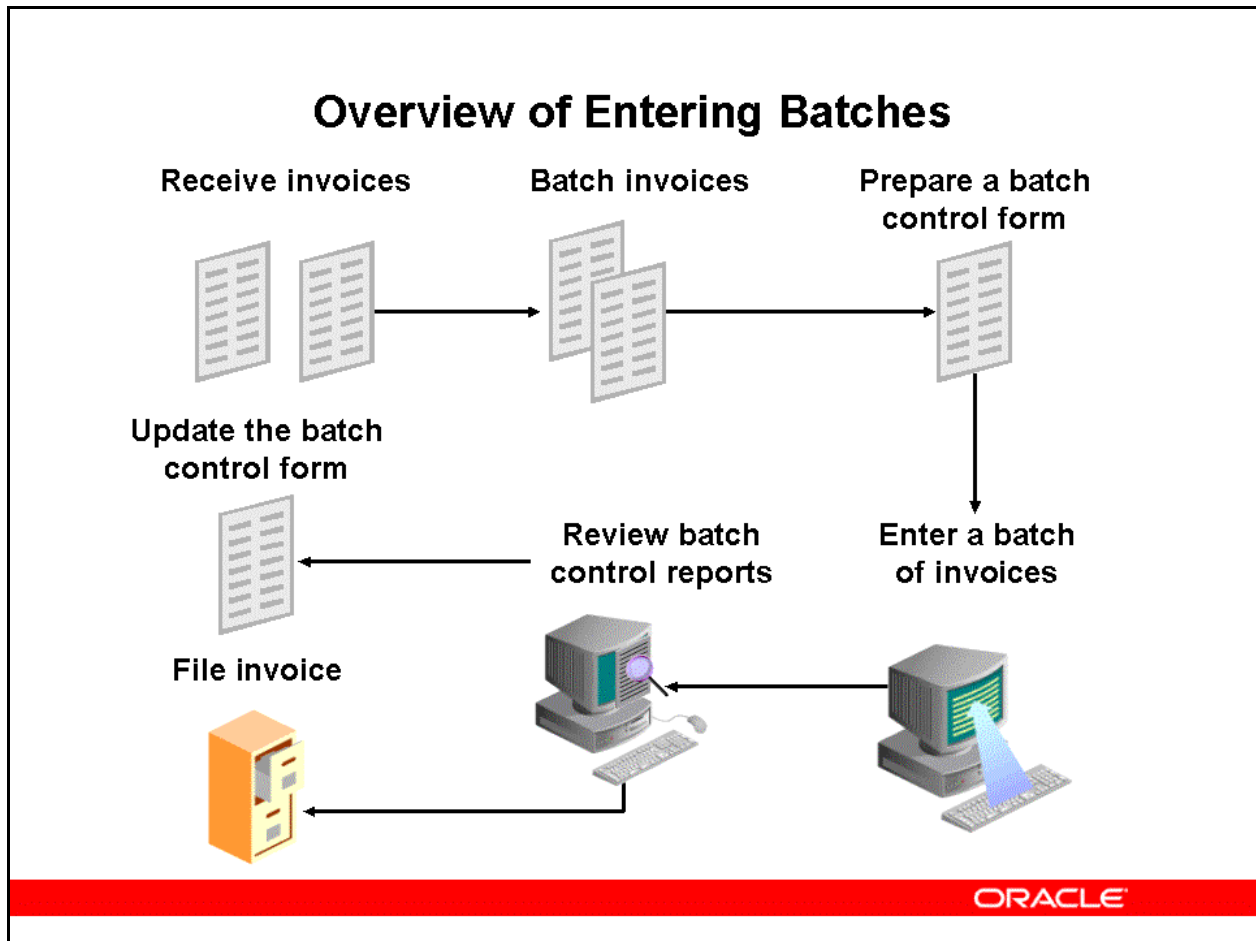
Payables determines the accounting period in which an invoice or payment is included by comparing the invoice or payment GL date to the ranges of dates you have defined for your accounting periods in your accounting calendar. The default invoice GL date is based on the GL Date Basis Payables option. Payables automatically defaults this GL date to new invoice distributions added to the invoice. If you specify a GL date on the invoice batch, that GL date defaults to invoices you enter into the batch. You can change the GL date for individual invoice lines. The GL date is stored at the invoice header so if you were to add additional invoice lines, the GL dates on the lines would be the same as the date on the invoice header.

The GL Date Basis Payables option determines what date is used as the GL date. The GL date for each invoice defaults based on one of the following options:

- Invoice date
- System date
- Receipt/Invoice
- Receipt/System

(Payables uses the payment date as the GL date for your payments.)

## Overview of Entering Batches



### Overview of Entering Batches

The graphic describes entering batches.

Use invoice batches to proactively manage manual invoice entry. You can use batches to do the following:

- Optionally, import and or enter invoice defaults at the batch level that override system or supplier site defaults for all invoices in the batch.
- Track variances between control counts and amounts resulting from your invoice entry.
- Easily locate a batch online and review the name of the person who created the batch and the date it was created.

To import and or enter invoices in batches, you must first enable the **AP: Use Invoice Batch Controls** Profile option. When you enable this option, all new invoices must be entered in a batch.

You can also use batch names to group imported invoices.

## Creating Batch Control Forms

### Creating Batch Control Forms

Batch Name : JS03042007      Date: 03/04/07

<b>Batch Control Form</b>	
Control Invoice Count: 20	Control Invoice Total: \$2,600.78
Actual Invoice Count: 19	Actual Invoice Total: \$2,200.78
Count Difference: 1	Total Difference : \$ 400.00
Entered by: John Smith   Entry Time (elapsed): 15 minutes	
Notes: Invoice #300941 for supplier ABC Corporation was a duplicate.	

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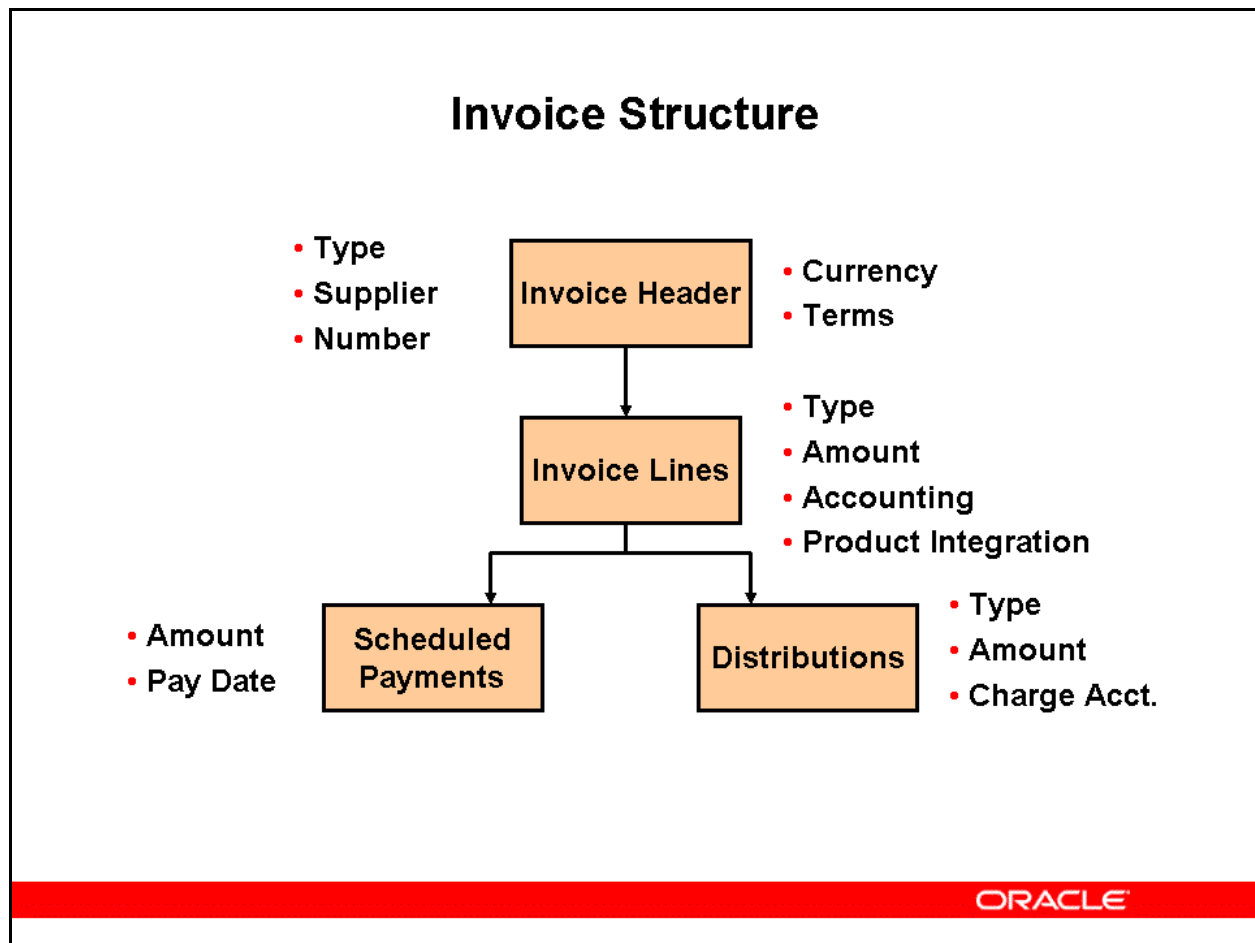
### Creating Batch Control Forms

The graphic describes creating a batch control forms.

Before manually entering a batch of invoices, optionally prepare a batch control form. Enter the number of invoices that are expected to be entered in the control invoice count line of the batch control form. Enter the total sum of the above invoices in the control invoice total line of the batch control form.

**Note:** Preparing the Batch Control form is optional and is performed outside of Payables.

## Invoice Structure



### Invoice Structure

The graphic describes invoice structure.

#### Invoice Header

The *invoice header* defines the common information about the invoice: invoice number and date, supplier information, remittance information, and payment terms. Information specified at the invoice header level defaults down to the line level. You can override the header level information for individual lines, as required.

#### Invoice Lines

The *invoice lines* define the details of the goods and services as well as the tax, freight, and miscellaneous charges invoiced by the supplier. There can be multiple invoice lines for each invoice header. The Lines tab of the Invoice Workbench captures all of the details for the invoice line necessary for accounting, as well as for cross-product integration with other Oracle E-Business Suite applications, such as Assets, Grants Accounting, Inventory, Projects, Purchasing, Property Manager, and Receivables.

For each invoice, you can manually enter invoice lines, or you can automatically generate lines by matching the invoice to a purchase order shipment, pay item, or receipt.

#### Scheduled Payments

Invoice payment details including scheduled payment date, amount and priority. Scheduled payments are created based on payment terms when the invoice header is saved. An invoice header can have one or more scheduled payments.

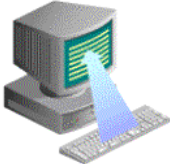
**Note:** Scheduled payments are not directly related to specific invoice distributions and invoice distributions are not directly related to specific schedule payments.

### **Distributions**

Distribution details include invoice accounting details, the GL date, charge accounts, and project information. An invoice line can have one or more invoice distributions.

### Invoice Workbench

Invoices Window	Other Features
<ul style="list-style-type: none"><li>• Invoice Header</li><li>• General</li><li>• Lines</li><li>• Holds</li><li>• View Payments</li><li>• Scheduled Payments</li><li>• View Prepayment Applications</li></ul>	<ul style="list-style-type: none"><li>• Actions</li><li>• Calculate Tax</li><li>• Tax Details</li><li>• Corrections</li><li>• Quick Match</li><li>• Match</li><li>• Distributions</li></ul>



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### Invoice Workbench

The Invoice Workbench is a group of windows that you can use to enter complex invoices or invoices that require online validation and defaulting. Also, use the Invoice Workbench when entering an invoice that needs immediate action, such as payment.

The primary window in the Invoice Workbench is the Invoices window. The Invoices window is divided into the following regions:

- Invoice Header
- General
- Lines
- Holds
- View Payments
- Scheduled Payments
- View Prepayment Applications

These regions are described in detail in this presentation.

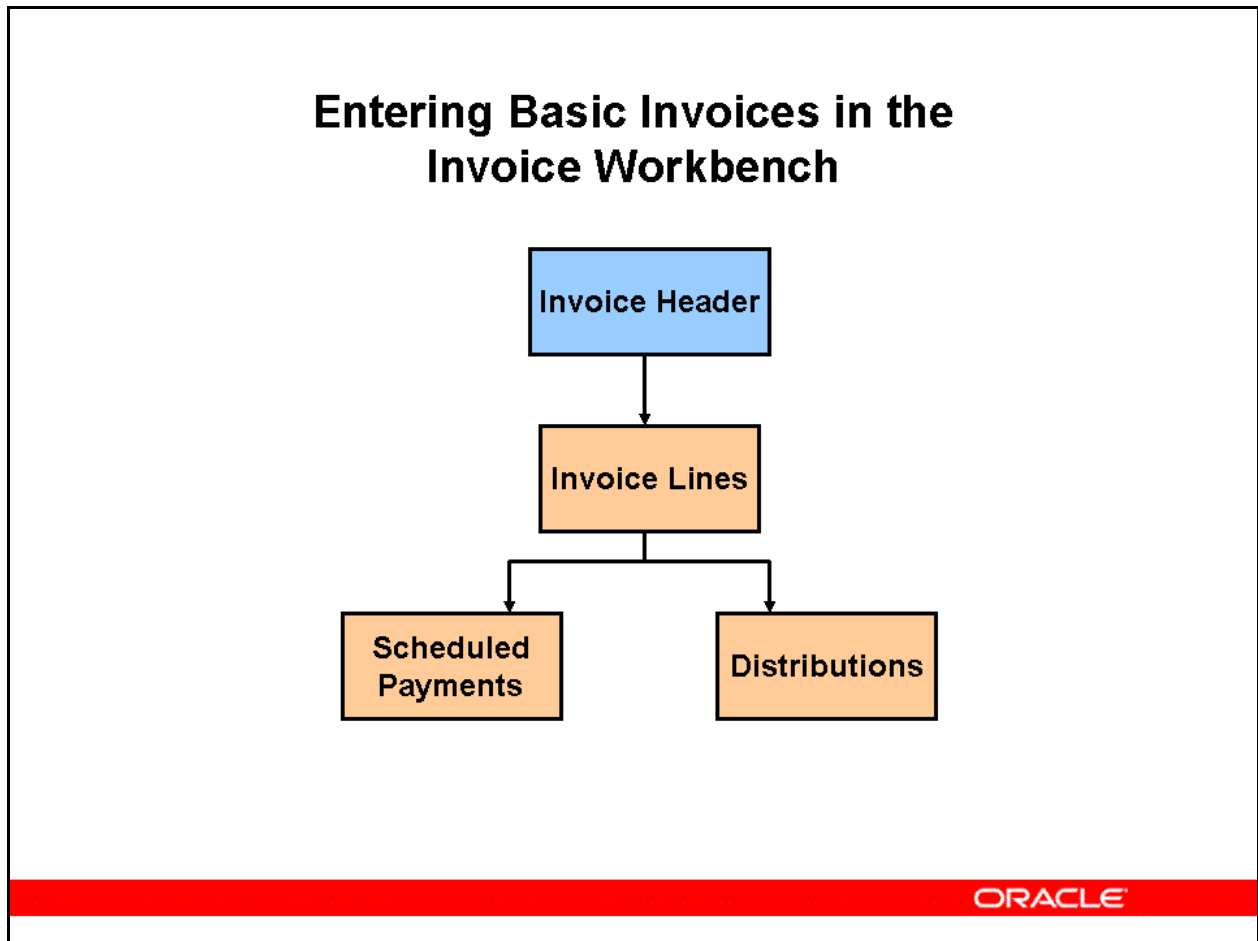
From the Invoices window you can also access the other invoice-related features and windows that comprise the Invoice Workbench:



- **Actions:** Opens the Invoice Actions window for a selected invoice(s) which you can use to perform actions such as validating, approving, cancelling, or printing.
- **Calculate Tax:** Automatically generates the tax lines for the invoice based on the E-Business Tax setup.
- **Tax Details:** Opens the Tax Lines Summary window, which displays the tax lines on the invoice.
- **Corrections:** Opens the Corrections window, which allows you to enter a price, quantity, or amount correction.
- **Quick Match:** Automatically matches the selected invoice to open, unbilled purchase order lines for the specified supplier.
- **Match:** Allows you to start one of the following matches, based on the invoice you select. Select the invoice you want to match to from the poplist, then choose the Match button. If you enter a positive amount invoice, then Payables defaults either Purchase Order or Receipt, based on the Invoice Match option of the supplier site.
  - **Purchase Order:** Match a selected invoice to a purchase order.
  - **Receipt:** Match a selected invoice to a purchase order receipt.
  - **Credit Memo:** Match a selected credit/debit memo to an invoice.
- **All Distributions:** Opens the Distributions window to view all distributions for a selected invoice.

## Entering Basic Invoices in the Invoice Workbench

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### Entering Basic Invoices in the Invoice Workbench

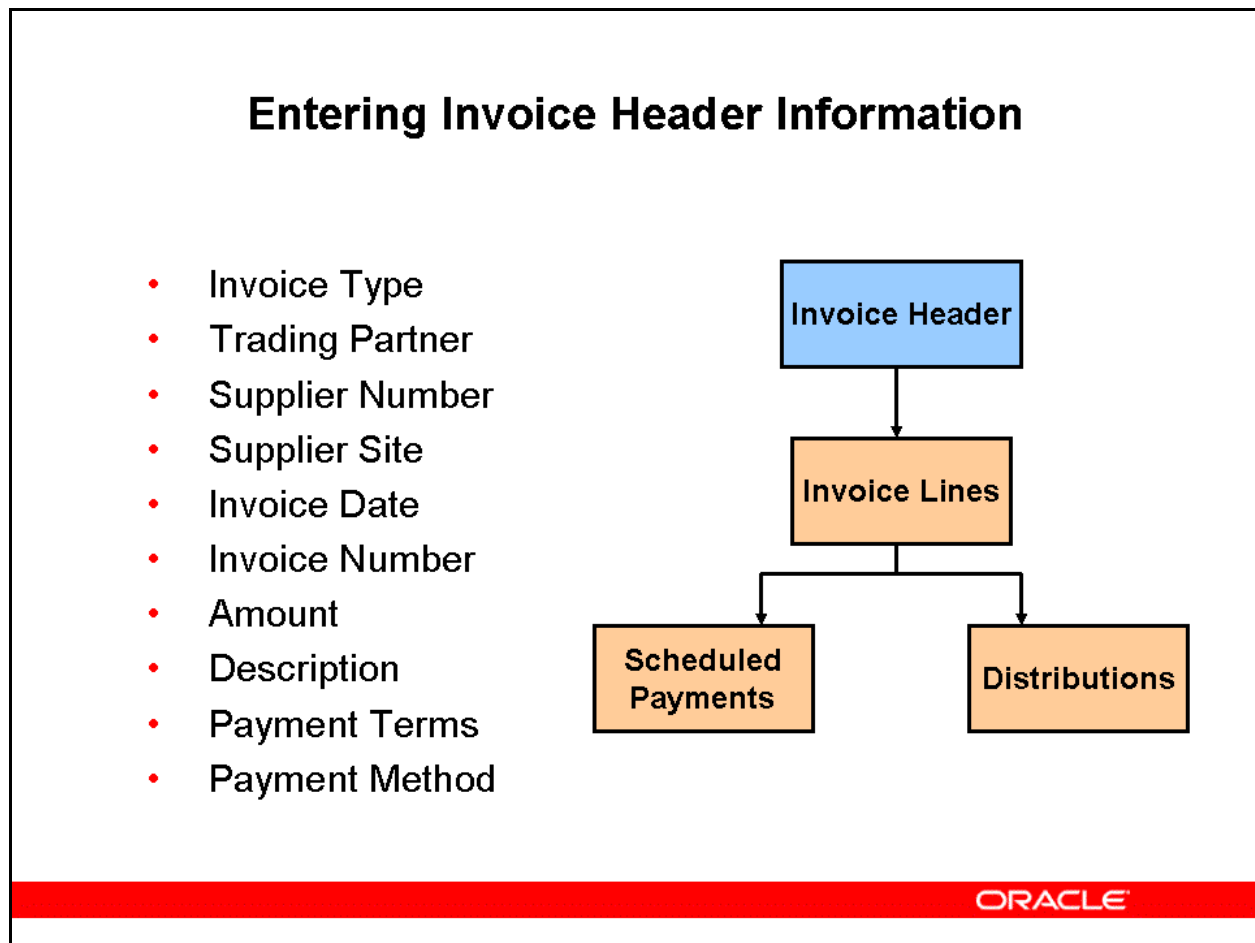
The graphic describes basic invoices in the Invoice Workbench.

Basic invoices are any invoices that are not matched to a purchase order, receipt, or credit memo.

To enter basic invoices in the invoice workbench, enter data for each of the elements in the basic invoice structure:

- Invoice Header
- Invoice Lines
- Distributions
- Scheduled Payments

## Entering Invoice Header Information



### Entering Invoice Header Information

The graphic describes invoice header information.

(N) Invoices > Entry > Invoice Batches (B) Invoices or

(N) Invoices > Entry > Invoices

#### Invoice Type

Determines characteristics of the invoice. Examples are Standard, Credit Memo, Debit Memo, and so on.

#### Trading Partner/Supplier Number

Enter the trading partner or supplier number.

#### Supplier Site

Enter the supplier site to which you will send payment of the invoice. Payables will use the address for this site on the payment.

#### Invoice Date

Enter the invoice date. The format of this field is controlled by the **ICX: Date Format Mask** profile option.

Payables might use the invoice date you enter as the Terms Date or GL Date default for an invoice, depending on how your Payables Options are set up. If your GL Date Basis Payables

is set to Invoice (Date), you must enter an invoice date that is in an open or future period. If you enter a date in a future period, Payables displays a warning message. When you submit Invoice Validation, Payables applies a Future Period hold to the invoice. This hold prevents payment and creation of accounting entries for the invoice.

**Invoice Number**

Enter the Invoice Number from the invoice your supplier sent you or accept the Payables default (today's date) by tabbing through the field. Payables will not allow you to enter duplicate invoice numbers for the same supplier.

**Amount**

Enter the full invoice amount including tax, freight and miscellaneous expenses.

**Description**

Optionally enter the Description of your invoice. This will appear on remittance advice for the payment and may appear in your general ledger.

**Payment Terms**

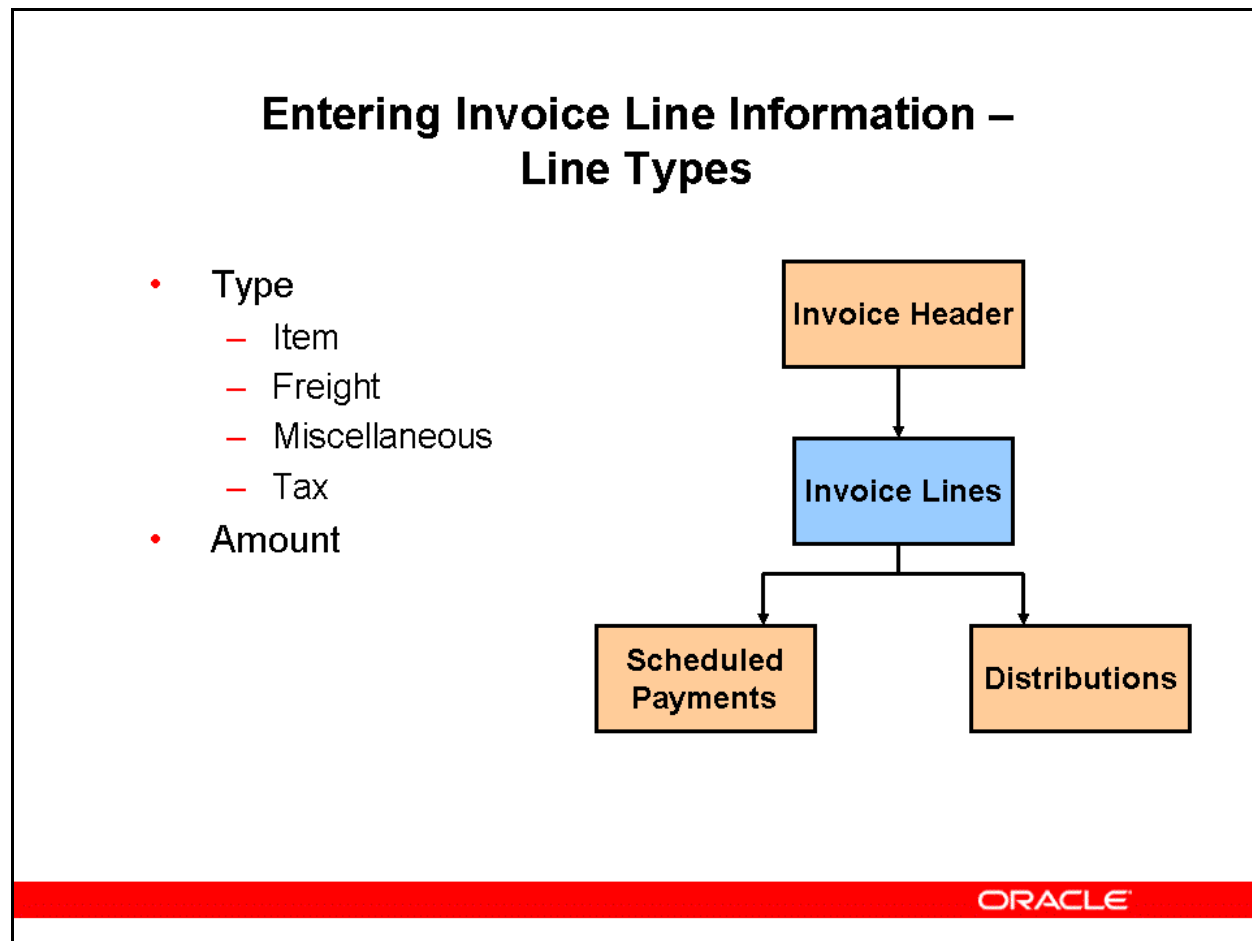
Payables uses payment terms to automatically calculate due dates, discount dates, and discount amounts for each invoice you enter. Payment terms will default from the supplier site. If you need to change the payment terms and the terms you want to use are not on the list of values, you can define additional terms in the Payment Terms window.

**Payment Method**

The invoice payment method you use most frequently. This will default from the supplier site. If you have to frequently override the payment method, consider changing the default at the supplier site level.

- Check - You can pay with a manual payment, a Quick payment, or in a payment run.
- Clearing - Used for recording invoice payments to internal suppliers.
- Electronic - You generate an electronic payment file that you deliver to your bank to create payments. Use Electronic if the invoice will be paid using EFT or EDI.
- Wire - Used to manually record a wire transfer of funds between your bank and your supplier's bank.

## Entering Invoice Line Information – Line Types



### Entering Invoice Line Information – Line Types

The graphic describes invoice line information.

(N) Invoices > Entry > Invoices (T) Lines

The Lines tab of the Invoices window allows you to enter and review the details for an invoice. You can enter four possible line types: Item, Freight, Miscellaneous, and Tax. Other line types, such as withholding lines are automatically generated by the system.

#### Item Lines

Item lines capture the details of the goods and services billed on your invoice.

#### Freight and Miscellaneous Lines

Freight lines capture the details of your freight charges. Freight charges can be allocated to Item lines as required.

Miscellaneous lines capture the details of other charges on your invoices such as installation or service. Like Freight lines, Miscellaneous lines can be allocated to Item lines.

#### Tax lines

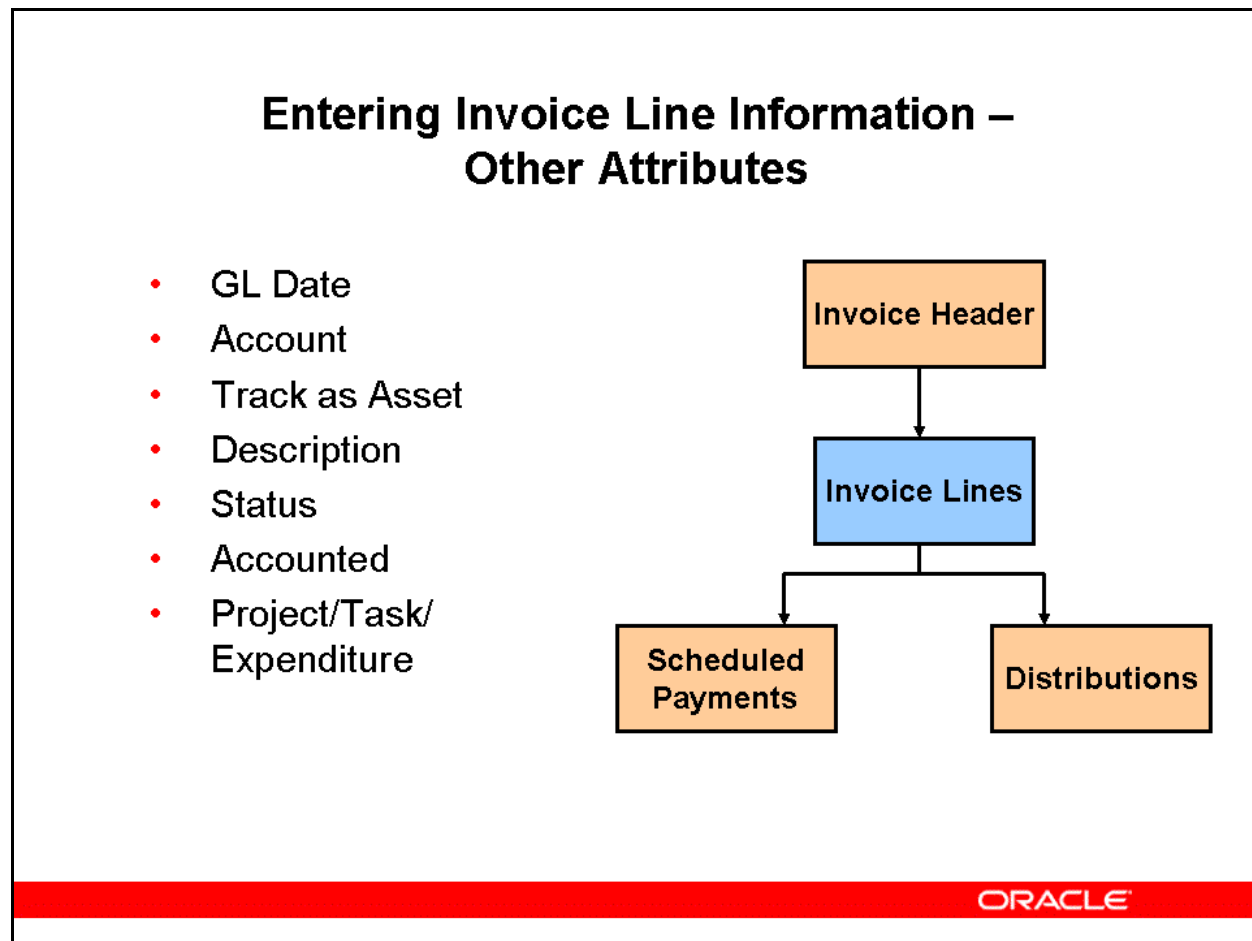
Payables integrates with Oracle E-Business Tax to automatically determine and calculate the applicable tax lines for your invoices. E-Business Tax uses your tax setup, plus fields on the invoice header and lines, known as tax drivers, to determine which taxes should be applied to

the invoice, to calculate the tax using the appropriate tax rates, and to determine whether or not the tax is recoverable or non-recoverable. In general, E-Business tax creates the necessary tax lines and distributions for the invoice and allocates tax; however, if your tax setup permits, you can update the tax lines or manually enter tax lines.

**Amount**

The amount of the invoice line.

## Entering Invoice Line Information – Other Attributes



### Entering Invoice Line Information – Other Attributes

The graphic describes invoice line information.

When defining the invoice line type and amount, the Lines tab of the Invoice Workbench enables you to capture all of the information necessary for generating accounting entries and integrating with other Oracle Applications such as Assets, Grants Account, Inventory, Projects, Purchasing, Property Manager, and Receivables. For a complete description of the fields available on the invoice lines tab, see: *Oracle Payables User's Guide*. The following describes the key fields that you can specify for each invoice line.

#### GL Date

The GL Date defaults from the invoice header GL Date. You can override the default and change the GL Date for the line to any date in an open or future period. Payables uses the GL Date to derive the accounting period that the charge will impact.

If you change the GL Date in the Invoices window, Payables does not change the GL Date for existing invoice distributions. If you want to update the GL Date for an invoice, use the Distributions window to change the GL Date for each invoice distribution.

#### Account

Account to charge when you create an accounting entry for this line; usually an expense, asset or accrual account. If you match to a purchase order or enter project related information,

this account will be built automatically. If you match to a purchase order with a destination type of Expense, the matching process will copy the PO Charge account onto the line of the invoice. If you match to a purchase order shipment with a destination type of Inventory, this account will be the accrual account built when the purchase order was entered.

**Track as Asset**

If you enter an asset type charge account, Payables automatically enables the Track as Asset check box and you cannot change it. If you enter an expense account and want to transfer the distribution for this line to Assets, enable the Track as Asset check box. It is important to note that just because the Track as Asset box becomes checked, does not mean the distribution line will be sent to fixed assets.

**Description**

Description of the line. This description does not appear on the payment document remittance. For manually entered items, the default value is the invoice description. For lines created by purchase order matching, the default value is the description of the purchase order line.

**Status**

Validation status of the line.

**Accounted**

Payables displays Yes or No to indicate if accounting entries have been created for the distribution.

**Project/Task/Expenditure**

If you have Projects installed, associate an invoice with a project to charge the expenditures on an invoice to a specific project, task, and organization. The system uses the project information you enter to create an account combination on the invoice distribution.

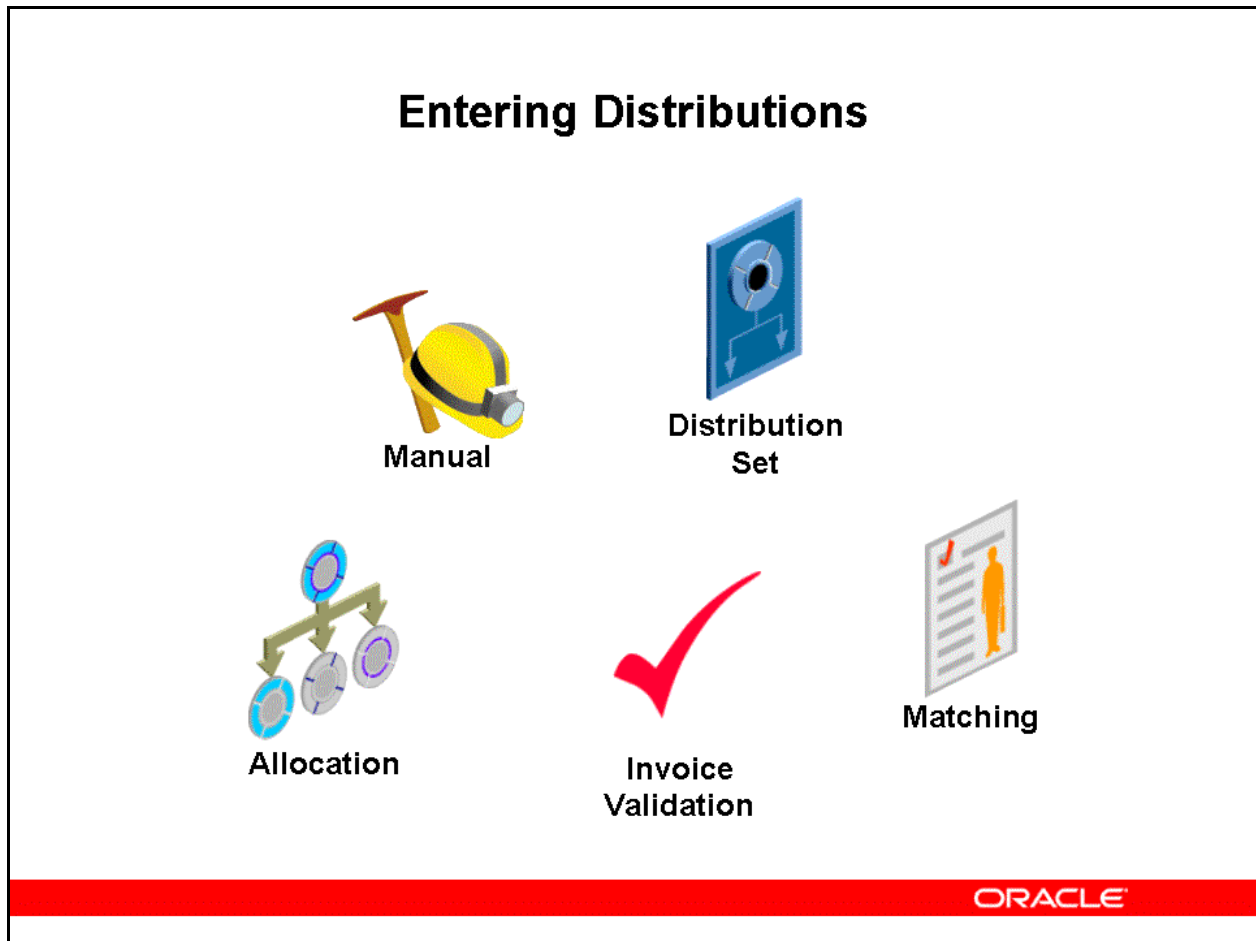
If you enter project information, you must enter a value for Task unless you have matched to a purchase order with project information with a null task ID. A purchase order can have a null task ID only if its destination is Inventory or Shop Floor. If the destination is Inventory or Shop Floor, the project information is used by Project Manufacturing.

If you are using Projects, you must modify Payables and Purchasing account generator workflows. If you do not modify the workflows, you will not be able to save a purchase order or invoice that has a project related distribution. The workflow builds the charge account combination based on the project information specified on the invoice distribution line.

For further information on Invoice lines, please refer to *Oracle Payables User's Guide*.



## Entering Distributions



### Entering Distributions

The graphic describes entering distributions.

Invoice distributions can be created on an invoice in a variety of different ways. Only one of them is manual entry!

#### Manual Entry

Click the Distributions button to manually add the distributions to the invoice.

#### Distribution Set

Specify a distribution set for the invoice. A distribution set is a template for invoice distributions. When you specify a distribution set for an invoice, Payables automatically creates invoice distributions based on the distribution set.

#### Matching

Match the invoice to a purchase order or receipt and creates invoice distributions.

#### Invoice Validation

If you are using automatic withholding tax or automatic tax calculation, the Validation process can automatically create the necessary tax distributions.

#### Allocation

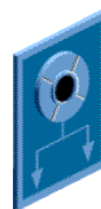
Use the Allocation window to create freight and miscellaneous distributions. Individual freight distributions can be added by specifying the distribution amounts.

### Distribution Sets

Use a Distribution Set to automatically enter distributions for an invoice when you are not matching it to a purchase order.

You can create:

- Full Distribution Sets
- Skeleton Distribution Sets



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### Distribution Sets

You can assign a default Distribution Set to a supplier site so Payables uses it for every invoice you enter for that supplier site. If you do not assign a default Distribution Set to a supplier site, you can always assign a Distribution Set to an invoice when you enter it.

For example, you can create a Distribution Set for an advertising supplier that allocates advertising expense on an invoice to four advertising departments.

#### Full Distribution Sets

Use Full Distribution Sets to create distributions with set percentage amounts, or use Skeleton Distribution Sets to create distributions with no set distribution amounts. For example, a Full Distribution Set for a rent invoice assigns 70% of the invoice amount to the Sales facility expense account and 30% to the Administration facility expense account.

#### Skeleton Distribution Sets

A Skeleton Distribution Set for the same invoice would create one distribution for the Sales facility expense account and one distribution for the Administration facility expense account, leaving the amounts zero. You could then enter amounts during invoice entry depending on variables such as that month's headcount for each group.

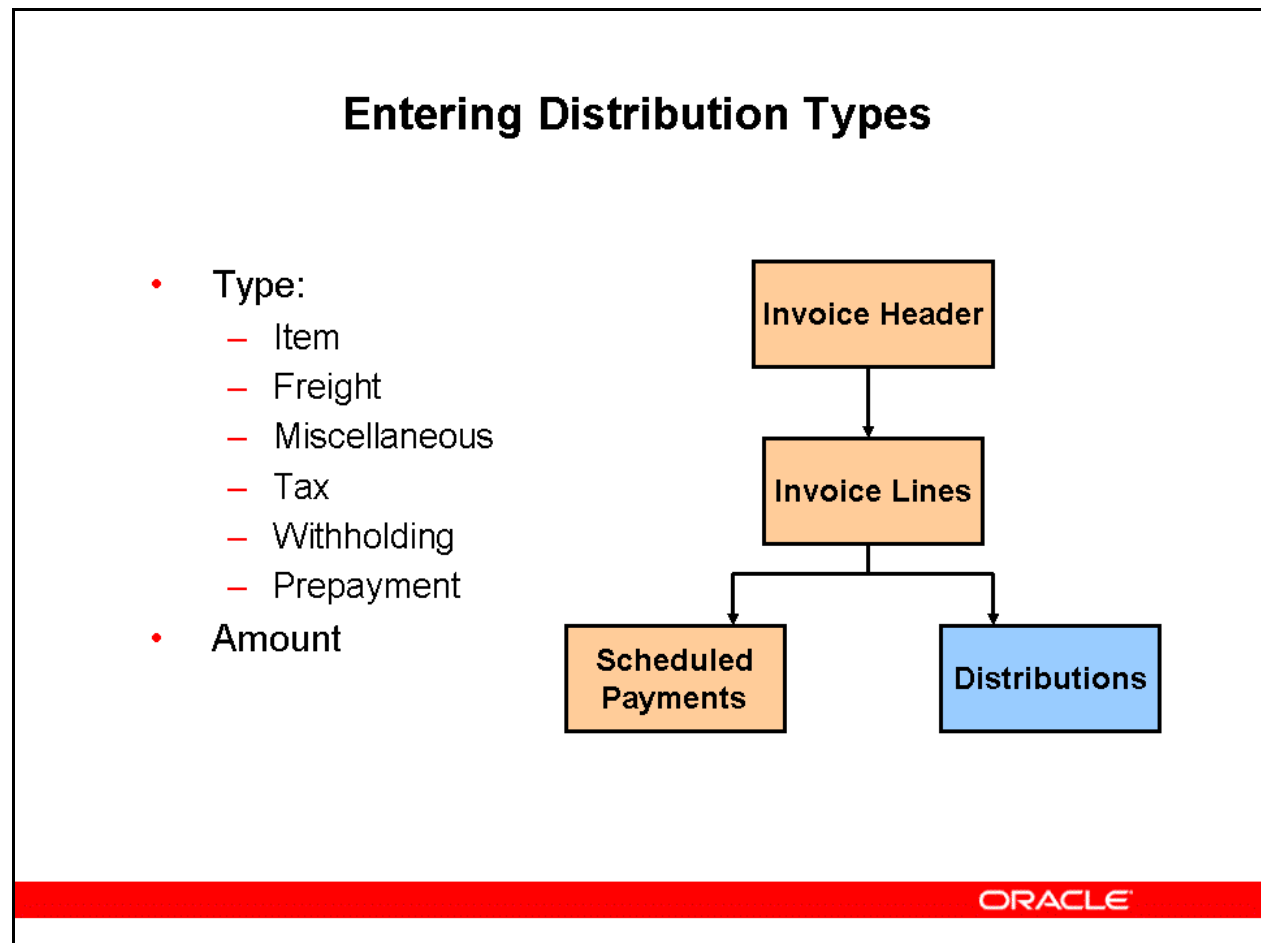
If you enable and use a descriptive flexfield with your distribution set lines, the data in the flexfield will be copied to the invoice distributions created by the Distribution Set.

## **Importing Invoices with Distribution Sets**

If you are importing invoices, enter a Distribution Set before you import the invoice record.

You can provide account information from only one of the following sources or the invoice will be rejected during import: Distribution Set, purchase order, Account field, allocation of a non-Item type line, or Projects information. Import will reject the invoice record if you use a Skeleton Distribution Set and use the Allocate feature for the same line.

## Entering Distribution Types



### Invoice Distribution Types

The graphic describes entering distribution types.

#### **Type**

Select a distribution Type. Each invoice distribution will have one and only one distribution type. If you are using periodic costing and need to include the cost of freight and miscellaneous charges with a receipt, you must use the Allocation window to allocate those distributions to a distribution line created by the matching process.

In addition to the Item, Freight, Miscellaneous, and Tax types, described previously, you can also have the following distribution types.

#### **Withholding**

Records the amount of taxes withheld from an invoice.

#### **Prepayment**

Records the amount of a prepayment applied to an invoice.

#### **Amount**

The amount of the distribution.

### Entering Freight Distributions

There are three ways to create freight distributions:

- Enable the Automatically Create Freight Distribution Payables Option
- Allocate freight across invoice distributions
- Manually enter freight distributions



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### Entering Freight Distributions

#### Enable the Automatically Create Freight Distribution Payables Option

If you select the Create Freight Distribution check box in the Invoices window, Payables automatically creates a single freight distribution using the freight amount and freight account that you enter for an invoice.

To set up Payables to default a freight account and automatically enable the Create Freight Distribution check box in the Invoices window during invoice entry, set the following Payables options:

- Enable the Automatically Create Freight Distribution option
- Enter a default freight account. Payables uses this account as the default freight account for an invoice. You can override this account during invoice entry.

If you usually allocate freight to invoice distributions or enter freight distributions manually, do not enable the Automatically Create Freight Distribution option.

#### Allocate Freight

You can use the Charge Allocations window to automatically create freight, or miscellaneous distributions. In the Charge Allocations window, you specify the following:

- The charge amount and type (freight or miscellaneous).

- The distributions to which the charge will be allocated.
- The charge amount associated with each distribution. Either you can specify an exact amount to allocate to each distribution, or you can prorate the charge amount across all selected distributions by selecting the Prorate check box.

**Manually enter freight**

Open the Distributions window, choose a distribution type of Freight and specify the amount and charge account.

### **Tax Distributions**

Tax distributions are automatically created when you click Calculate Tax or when you validate the invoice.

Withholding Tax distributions are automatically created when you validate the invoice.



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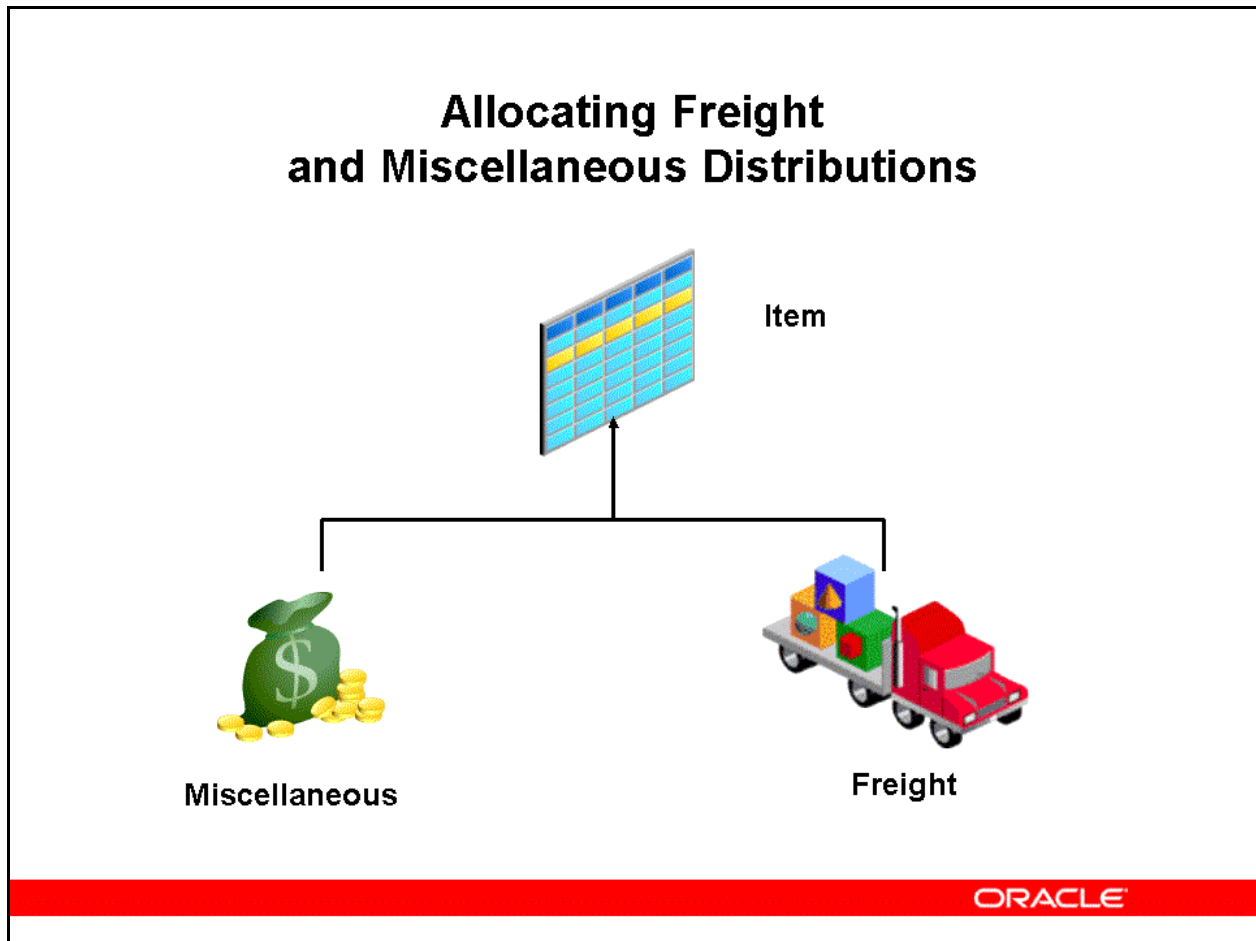
### **Tax Distributions**

Tax distributions are automatically created when you click Calculate Tax or when you Validate the invoice.

Withholding Tax distributions are automatically created when you validate the invoice.



## Allocating Freight and Miscellaneous Distributions



### Allocating Freight and Miscellaneous Distributions

The graphic describes Freight and Miscellaneous distributions.

You can use the Charge Allocations window to:

- Create and allocate freight or miscellaneous charge distributions to item distributions.
- Allocate an existing freight or miscellaneous charge distribution to one or more distributions to record costs for Periodic Costing.
- Review and update existing allocations for a charge.

You can:

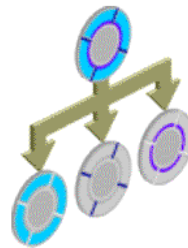
- Allocate freight and miscellaneous distributions to item lines only.

You cannot:

- Allocate any distribution to itself.
- Allocate an item distribution to any other distribution type.
- Allocate freight or miscellaneous charges to tax lines.
- Partially allocate a charge. The amount must be fully allocated before you can save the allocation.

### Creating Distributions by Allocation in the Invoice Workbench

You can use the Charge Allocations window to automatically create freight or miscellaneous distributions.



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### Creating Distributions by Allocation in the Invoice Workbench

The charge distributions you create are *allocated* Freight or Miscellaneous distributions. Allocation associates a charge with the cost of an item on a receipt. This allocation information is used to record the full cost of a receipt item if you use one of the Periodic Costing options available in Oracle Cost Management.

In the Charge Allocations window, you specify the following:

- the charge amount and type (freight or miscellaneous)
- the distributions to which the charge will be allocated
- The charge amount associated with each distribution. You can either specify an exact amount to allocate to each distribution, or you can prorate the charge amount across all selected distributions.

For each selected distribution, Payables creates a charge distribution and records the allocation. The new distribution has the same GL account as the distribution to which you allocate it. After Payables creates the distribution you can update the account any time before the invoice is accounted.

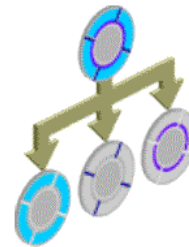
For example, on a \$110 invoice, you want to allocate \$10 of a miscellaneous charge to two Item distributions. Enter the \$110 invoice and enter two Item distributions, one for \$75 and one for \$25. Prorate the Miscellaneous charge of \$10 to the two Item distributions. Payables

creates two Miscellaneous distributions, one for \$7.50 and one for \$2.50. The Miscellaneous distributions have the same account as the Item distributions.

**Note:** If you are matching to a purchase order shipment or receipt, then you have the option of allocating directly in the match window, without navigating to the Distributions window. If you are matching to a purchase order distribution, then allocate freight and miscellaneous charges in the Allocate window.

### Allocation Restrictions

- Cancelled invoices
- Paid invoices
- Applied prepayments
- Items matched to multiple PO distributions
- Accounted allocations



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### Allocation Restrictions

#### Cancelled invoices

You cannot modify allocations if the invoice is cancelled.

#### Paid invoices

If the invoice is partially or fully paid and the Allow Adjustments to Paid Invoices Payables option is not enabled, you cannot create new charges in the Allocations window.

#### Applied prepayments

If a Prepayment invoice has been partially or fully applied, you cannot create new charges in the Allocations window.

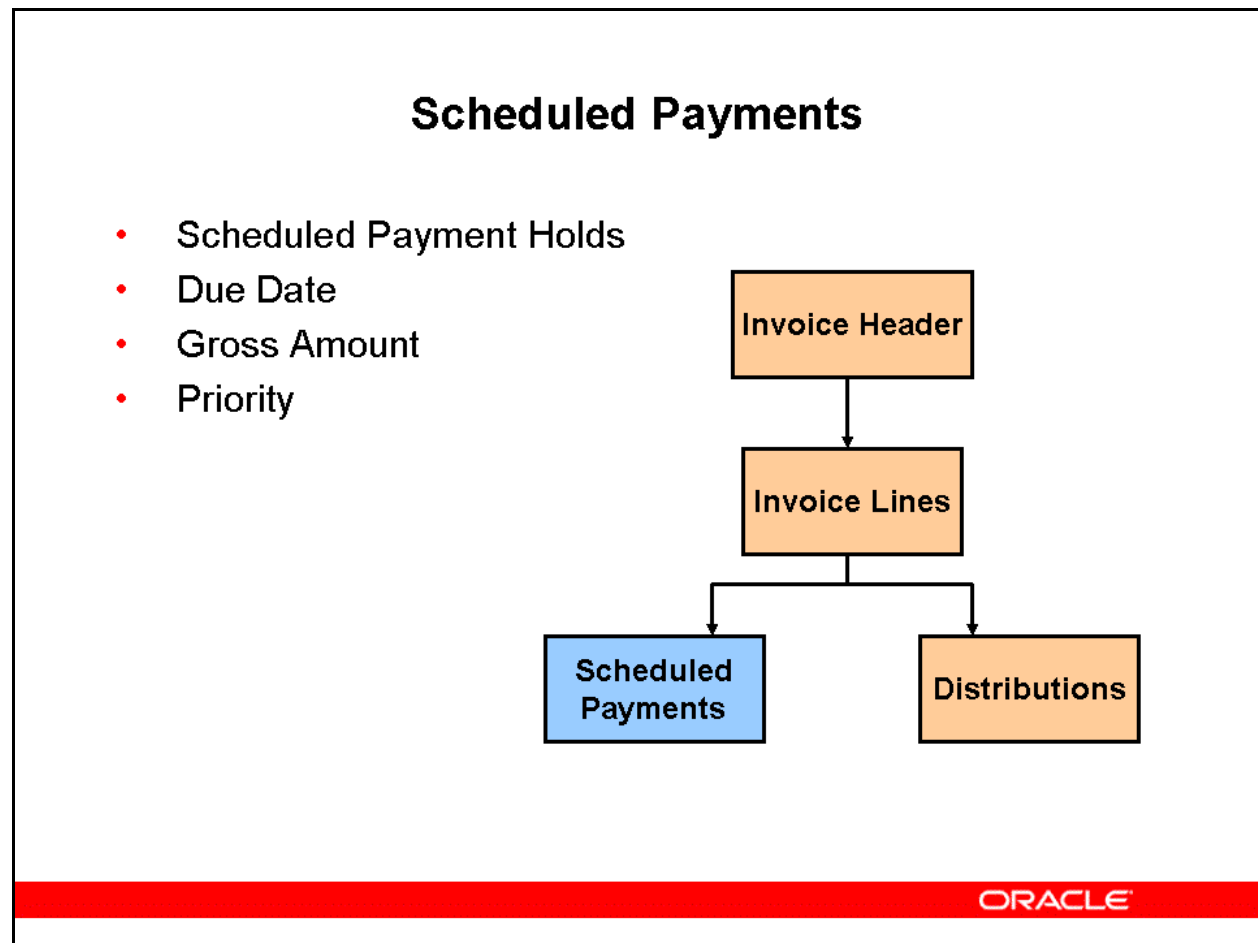
#### Items matched to multiple PO distributions

Multiple Item distributions, each matched to a different PO distribution, cannot receive allocations from a single nonrecoverable Tax distribution.

#### Accounted allocations

You cannot adjust an allocation after you have accounted for the charge.

## Scheduled Payments



### Scheduled Payments

The graphic describes scheduled payments.

Each invoice may have one or more scheduled payments that are created based on the payment terms when the invoice header is saved. Use View Scheduled Payments tab to review or adjust dates and amounts of all scheduled payments, including discount schedules, for an invoice. You can also schedule and create partial payments and place one or more scheduled payments on scheduled payment hold.

#### Hold

Enable this check box if you want to apply a payment hold on the scheduled payment line. If a scheduled payment is on hold, then Payables does not create a payment for that scheduled payment until you disable the check box.

#### Due Date

During invoice entry, Payables automatically schedules payment for each invoice based on the Payment Terms and Terms Date you enter for the invoice. Payables uses the payment terms definition to calculate the due date, discount date, and the discount amount for each scheduled payment. For example, if an invoice has payment terms of Net 30, Payables calculates the due date as 30 days after the Terms Date. You can assign default payment terms to a supplier site.

**Gross Amount**

Gross amount due for the scheduled payment, displayed in the invoice currency. Payables subtracts the discount amount, automatic withholding amount, and prepayment amount from the gross amount to calculate the payment amount.

**Priority**

A number, between 1 (high) and 99 (low), that represents the priority of payment. The value for this field defaults from the supplier site. You can enter a payment priority range as a criteria for selecting invoices for a payment run.

### Entering Purchase Order and Receipt Matched Invoices

Match invoices to:

- Purchase order
- Purchase order shipments
- Purchase order distributions
- Purchase order receipts and receipt lines



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### Entering Purchase Order and Receipt Matched Invoices

You can match invoices to purchase orders to ensure that you pay only for the goods that you have ordered, or you can match to purchase order receipts to ensure that you pay only for goods that you have received.

#### **Purchase order shipment match**

Based on the quantity invoiced, Payables prorates the match amount across all non-fully billed purchase order distributions associated with the purchase order shipments you match to.

#### **Receipt match**

Reasons to use match to receipt:

- Matching to receipts allows you to pay only for goods you receive.
- Any exchange rate variance that results from matching is likely to be smaller because the time between the receipt and invoice will probably be less than the time between the purchase order and invoice.
- Matching an invoice for freight or miscellaneous charges to a material receipt is required for accurate costing data if you use periodic costing.

Note that you can also only pay for what you receive by using Match to PO and letting the invoice go on hold if the receipt is not in.

## Purchase Order Distribution Match

If you are billed for only a portion of a shipment, you may want to match at the distribution level to ensure you charge the correct account. If you choose not to match to the distributions, Payables prorates the match amount across the available distributions for that shipment.

## Price Correction

You may want to record a price correction for a purchase order shipment if you receive an invoice from the supplier that is an adjustment to the unit price of an invoice you previously matched to that purchase order shipment. Price corrections adjust the unit price without adjusting the quantity billed on the purchase order.

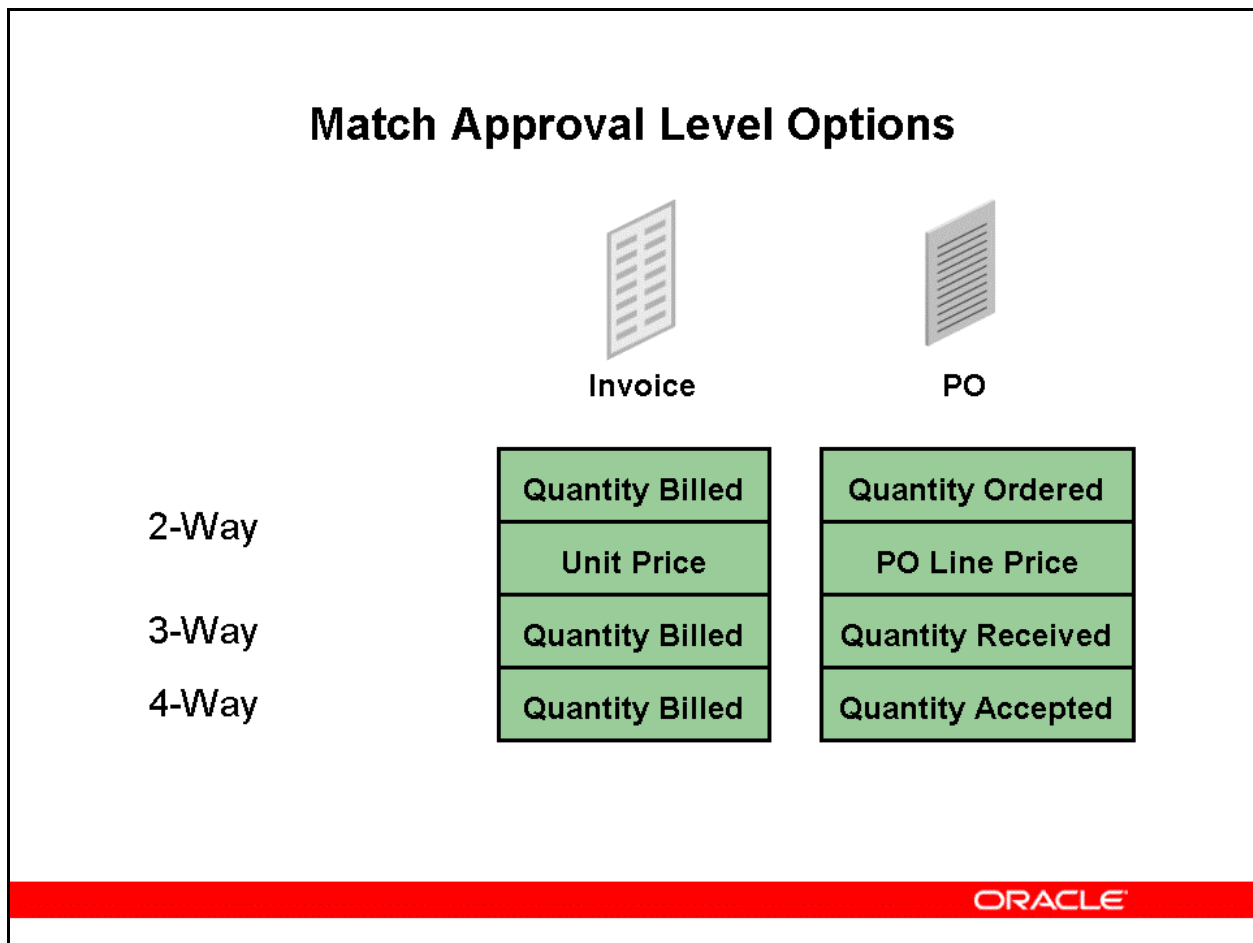
Reasons to use price correction:

- You use a price correction when a supplier sends an invoice for a change in unit price for an invoice you have already matched to a purchase order. If you simply enter an invoice for a unit price increase or a credit/debit memo for a unit price decrease without using price correction, invoice price variances will not be accurate.
- You can enter and match an invoice to record a price increase, or you can enter and match a credit memo or debit memo to record a price decrease.
- Use a price correction to adjust the invoiced unit price of previously matched purchase order shipments, distributions, or receipts without adjusting the quantity billed.

**Note:** Price corrections are very different from overriding the unit price when matching an invoice to a purchase order. When you are entering an invoice and matching to a purchase order, you can override the unit price that defaults from the purchase order so it is the same as the unit price on your invoice. You use price corrections only after the initial match.



## Match Approval Level Options



### Match Approval Level Options

The graphic describes match approval level options.

The match approval level defaults to purchase order shipment lines when the purchase order is entered. You can override the default on the purchase order shipment. If you find that you are frequently overriding this value, change the default at the supplier site level.

If an item is used on the PO, the match approval level will default from the item and will override the supplier site. If the Item match approval level for the Item = Receipt required, then it results in a 3-way match. If the Item match approval level for the Item = Inspection required, then it results in a 4-way match.

When quantities and prices exceed specific tolerances you define, the Payables Validation process will place a matching hold on the invoice. You can configure matching holds so manual override is not possible in the Invoice Holds and Release Names window.

#### 2-Way (Invoice to Purchase Order)

- Quantity billed vs. quantity ordered on shipment line
- Invoice unit price vs. purchase order line unit price

#### 3-Way (Invoice to Purchase Order and Receipt)

- 2-Way match criteria AND

- Quantity billed vs. quantity received
- Item = Receipt Required

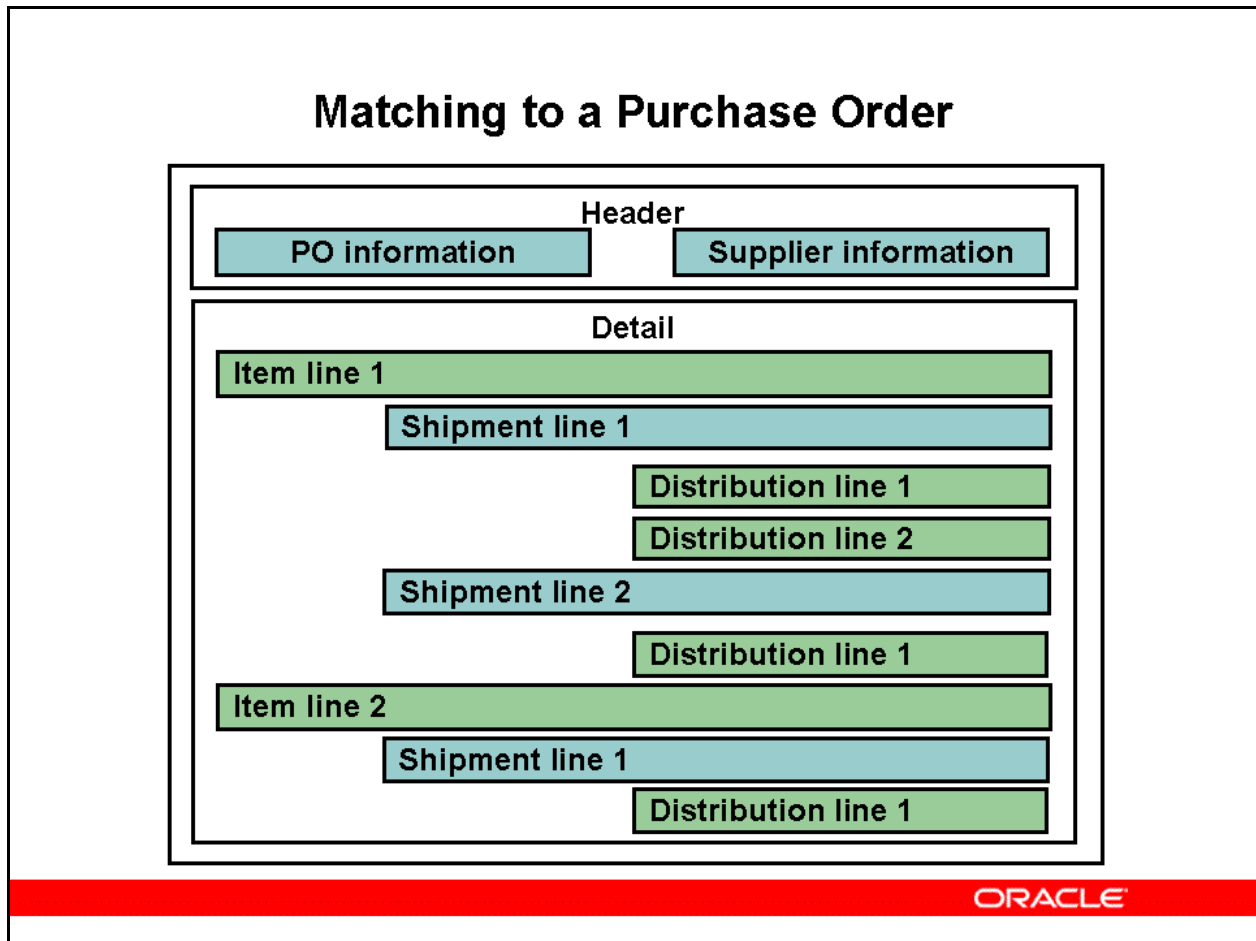
**4-Way (Invoice to Purchase Order and Receipt and Inspection)**

- 3-Way match criteria AND
- Quantity billed vs. quantity accepted

**Note:** Quantity accepted = (Quantity received - quantity rejected)

- Item = Inspection Required

## Matching to a Purchase Order



### Matching to a Purchase Order

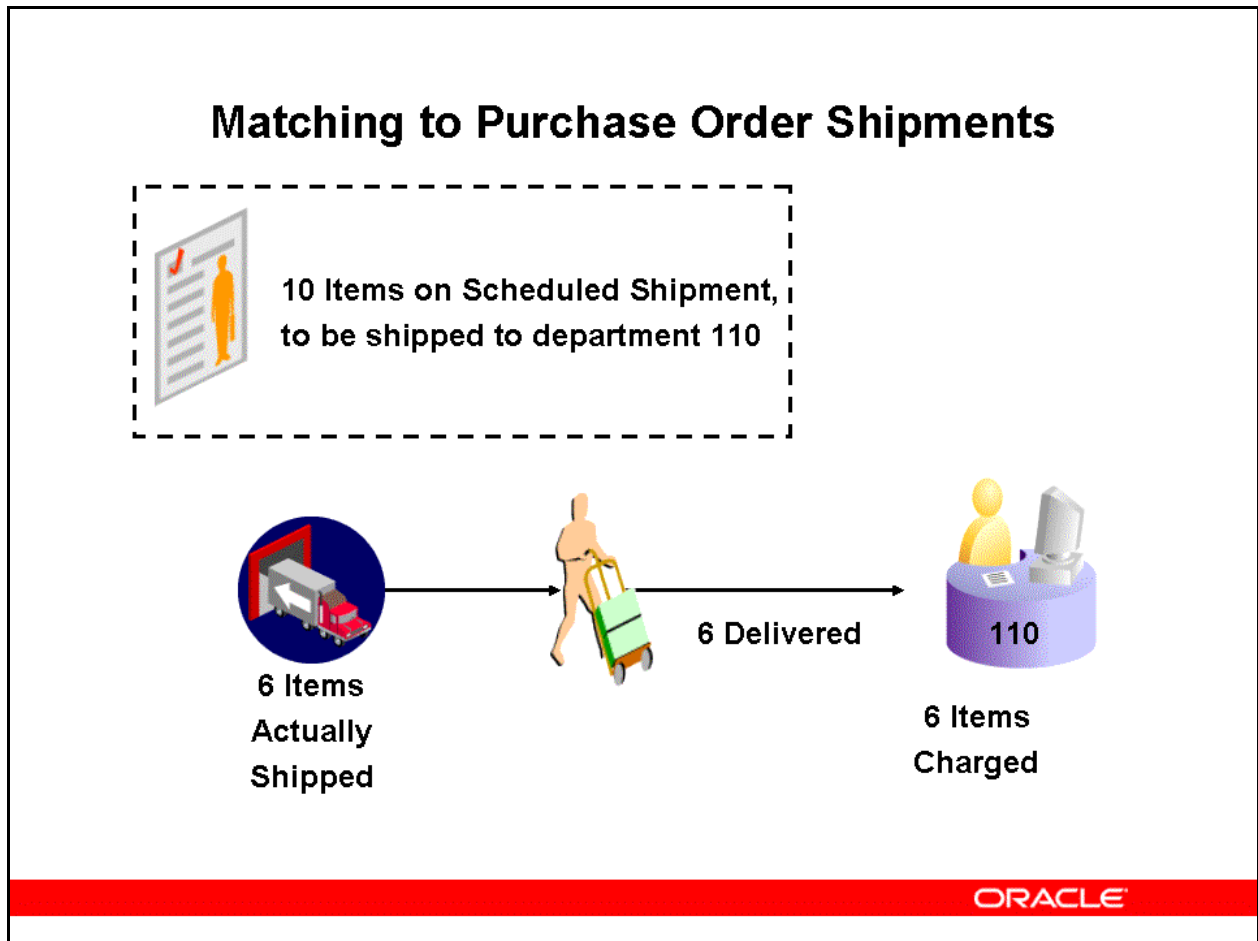
The graphic describes matching to a Purchase Order.

Match your billed (invoice) items to the original purchase orders, purchase order distributions or receipts to ensure that you pay only for the goods or services you ordered. If you are billed for an item in excess of the amount and quantity tolerances you define in the Invoice Tolerances window, the Payables Validation process applies a hold to the invoice. Invoice holds prevent payment.

You can match a single invoice to multiple purchase order shipments and distributions, or you can match multiple invoices to a single purchase order shipment or distribution provided the supplier is the same on all purchase orders.

When you match an invoice to a purchase order or receipt, Payables creates invoice lines and distributions using the purchase order distribution accounting information. You cannot delete invoice lines or distributions that were created through matching. If you match an invoice to the wrong purchase order, either reverse the individual distributions and then rematch to the correct purchase order, or cancel the invoice.

## Matching to Purchase Order Shipments



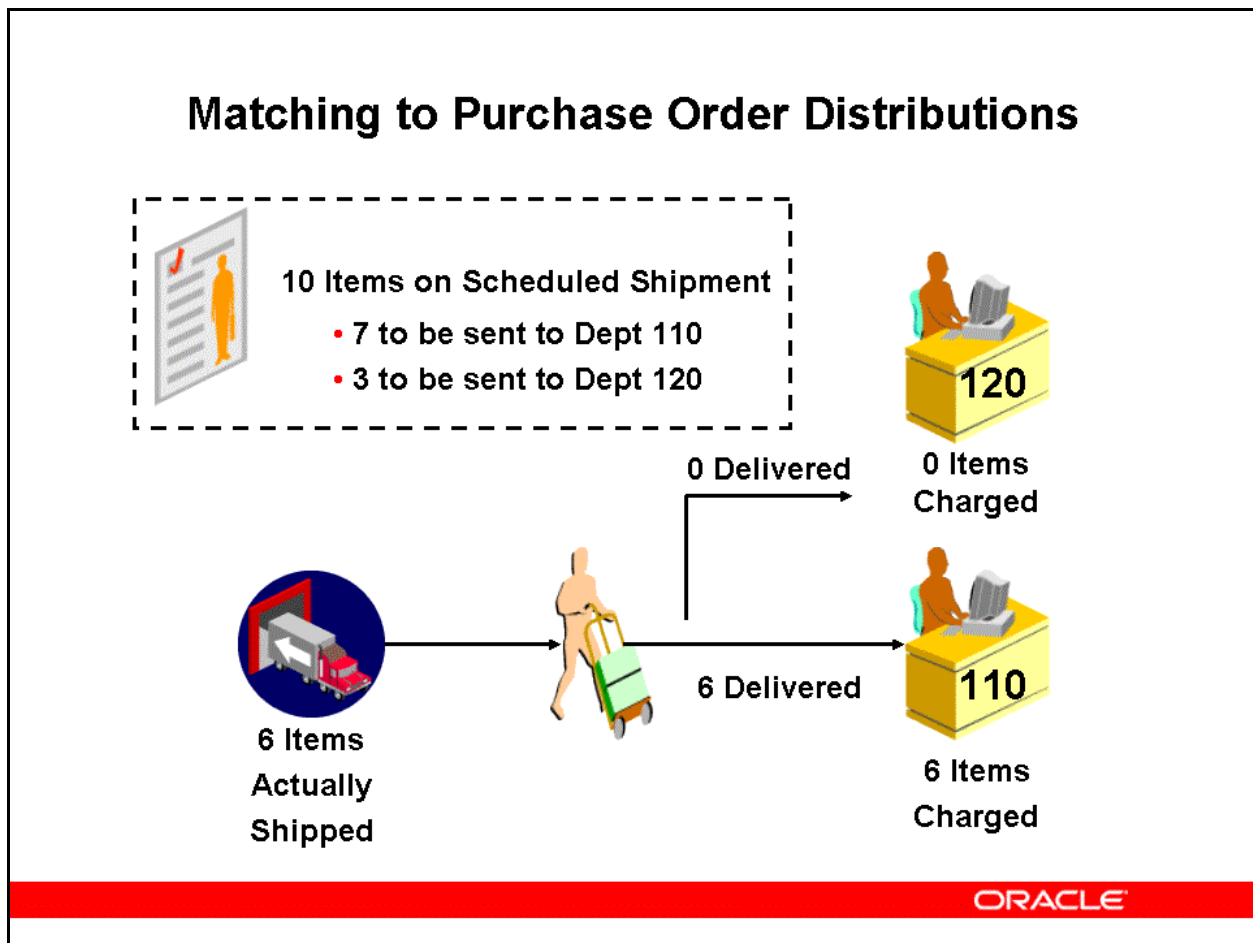
### Matching to Purchase Order Shipments

The graphic describes matching to Purchase Order shipments.

Based on the quantity invoiced, Payables prorates the match amount across all non-fully billed purchase order distributions associated with the purchase order shipments you match to.

When the invoice is matched to the shipment, all 6 items will be charged to department 110.

## Matching to Purchase Order Distributions



### Purchase order distribution match

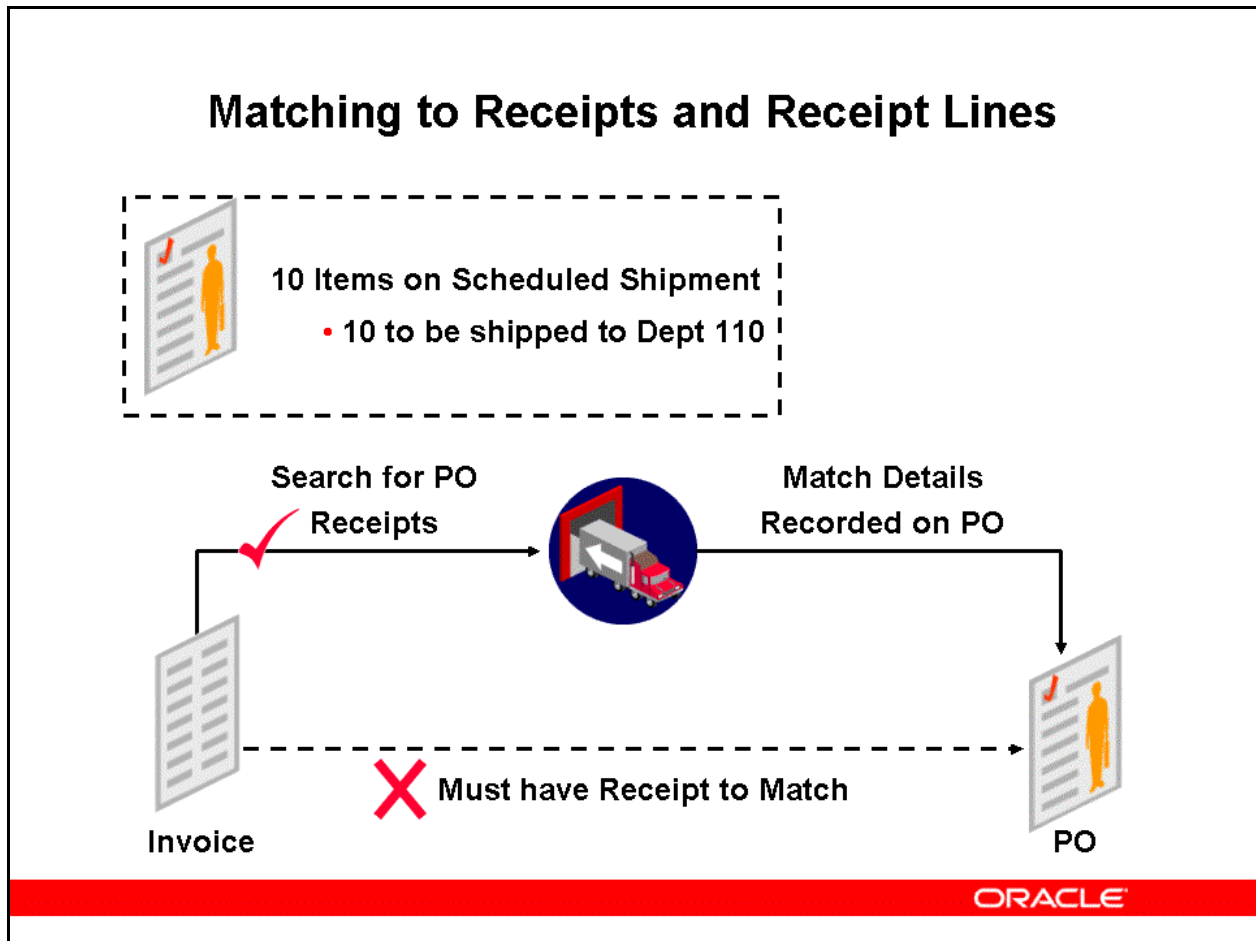
The graphic describes matching to purchase order distributions.

If you are billed for only a portion of a shipment, you might want to match at the distribution level to ensure you charge the correct account. If you choose not to match at the distribution level, Payables prorates the match amount across the available distributions for that shipment. To illustrate this, assume that 10 items are ordered on a purchase order shipment. Of the 10 items ordered, 7 should be delivered to department 110 and 3 should be delivered to department 120.

If all 10 items are shipped, then match to the shipment. Two distributions are created on the invoice allocating 7/10 of the cost to department 110 and 3/10 of the cost to department 120.

If only 6 items are shipped and all 6 delivered to 110, you must use distribution matching to make sure the cost for all 6 units is allocated to department 110. If you matched to shipment in this case, then 7/10 of the cost would be allocated to department 110 and 3/10 of the cost would be allocated to department 120.

## Matching to Receipts and Receipt Lines



### Matching to Receipts and Receipt Lines

When the invoice match option is set to Receipt for the purchase order shipment you will not be able to match unless a receipt has been processed. The Invoice Match option defaults in the following manner:

Financials options -> Supplier -> Supplier Site -> Purchase Order Shipment.

The value on the purchase order shipment controls what you match to. The value can be set to either Purchase Order or Receipt.

- **Purchase Order:** Match invoices to purchase orders.
- **Receipt:** Match invoices to purchase order receipts. Keep in mind that in order to match to a purchase order with a match approval level of receipt, the receipt must be processed before you attempt to match the invoice. The same information that is maintained on the purchase order when you use the invoice match option of Purchase Order is maintained on the purchase order when you use a invoice match option of Receipt.

Reasons to match to receipt:

- Matching to receipts allows you to pay only for goods you receive.
- Exchange rate variance is likely to be smaller because the time between the receipt and invoice is less than the time between the purchase order and invoice.

- When you allocate freight or miscellaneous charges to an invoice distribution line matched to a receipt, the acquisition cost of the material will be more accurately reflected if you are using periodic costing.

If you are matching to a receipt line, then when you match to receipt, you can select the specific line that you want to match to.

Note that you can also only pay for what you receive by using Match to PO and letting the invoice go on hold if the receipt is not in.

## Matching to Purchase Orders or Receipts in the Invoice Workbench

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### Matching to Purchase Orders or Receipts in the Invoice Workbench

To match an invoice to a purchase order or receipt:

- Use the Match to Purchase Order/Receipts window
- Enter the PO number in the invoice header
- Enter the PO Distribution, PO Shipment, or Receipt information in the invoice line
- Use Quick Match



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### Matching to Purchase Orders or Receipts in the Invoice Workbench

If you are entering invoices in the Invoice Workbench, you can use the following methods to match an invoice to a purchase order or receipt.

Use the Match to Purchase Orders or Receipts window. The simplest way to match an invoice to purchase order shipments or distributions is to use the Match to Purchase Orders Window. Payables automatically creates invoice lines and distributions based on the matched shipments and distributions.

Enter the purchase order number in the invoice header. If you match to a purchase order in the invoice header, Payables automatically generates the lines and distributions for the invoice based on the purchase order selected.

Enter the purchase order number in the invoice lines tab. You can match an invoice line to a purchase order shipment or distribution. Payables automatically creates distributions based on the matched shipments and distributions.

- **PO Shipment:** Enter the PO Line Number and PO Shipment Number. If you are matching to a purchase order line with multiple shipments, you must enter a value here. If you don't know the shipment number, you can select it from a list of values. The list of values defaults based on the PO Number specified.



- **Note:** If you match to a purchase order with only one line and only one shipment, then only the purchase order number is required. Also, if you enter a PO Line information, and that PO Line has only one shipment, then you are not required to enter shipment information.
- **PO Distribution:** To match to a purchase order distribution, enter the PO Line Number, PO Shipment Number, and PO Distribution Number. If you want the GL Account populated with an Overlay GL Account, then you must specify the purchase order distribution.
- **Receipt Line:** Enter a PO Number and a Receipt number to match to a receipt line.

Use Quick Match to match invoices to all open, unbilled purchase order shipments. Quick Match matches shipments on a first in, first out (FIFO) basis. Quick Match is convenient to use if you have:

- Invoices that have one shipment per line
- Multiple shipments that are received in chronological order
- If you have multiple shipments that are not received in chronological order, use the Match to Purchase Order Shipments window or the Lines tab in the Invoice Workbench. Payables automatically creates invoice lines and distributions based on the matched shipments and distributions.

### Corrections

You can enter price, quantity, or amount corrections, depending on the type of purchase order line you are correcting:

- Goods
- Services
- Rate Services



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### Corrections

You can enter price, quantity, or amount corrections on your invoices.

To enter a correction, start by creating a new invoice:

If you are recording a price increase, enter a Standard or Mixed invoice. Payables then automatically defaults the supplier, supplier number, and currency from the purchase order to the Invoices window.

If you are recording a price decrease, enter a Credit Memo or Debit Memo type invoice.

Second, match the invoice to the invoice or purchase order that you want to correct. The Corrections window displays the available purchase order shipment lines based on your correction type and query. The type of correction that you can make depends on the type of purchase order line you are correcting:

- **Goods:** You can make price or quantity corrections.
- **Services:** You can make amount corrections on all services, with the exception of Rate Services.
- **Rate Services:** You can only make Quantity corrections for Rate Services.

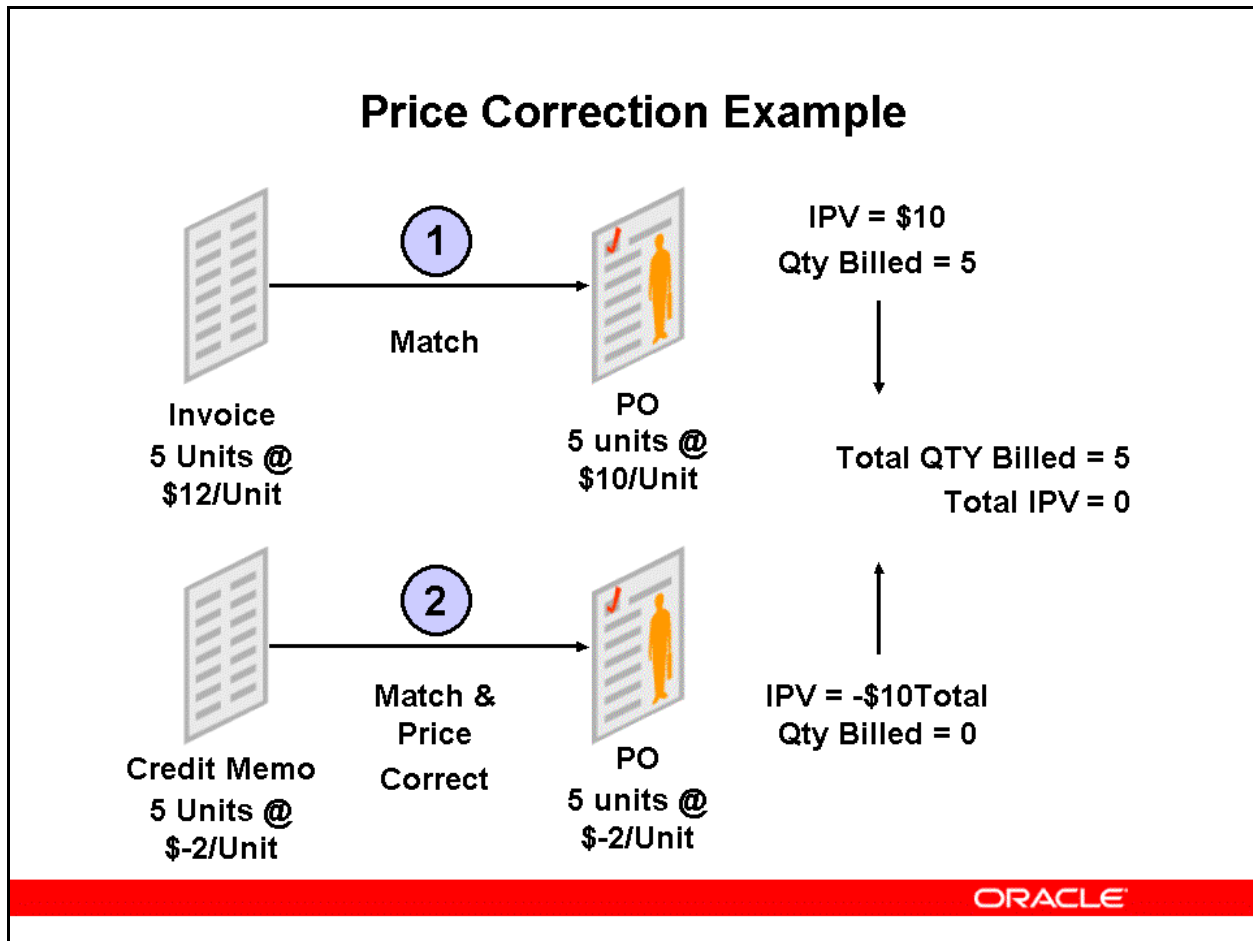
If the purchase order line is a Milestone, then you cannot enter corrections. In this case, you must completely reverse the invoice.

Third, record the change. The correction should be the difference between the original price, quantity, or amount, and the new price, quantity, or amount. For example, if the original unit price was \$100.00 and the supplier is decreasing the price by \$10.00, enter -10.00 in this field. If the invoice Type is Credit or Debit Memo, the value in the Unit Price field must be negative.

- To record a Price Correction, enter the price change in the Unit Price field.
- To record a Quantity Correction, enter the quantity change in the Correction Qty field.
- To record an Amount Correction, enter the amount change in the Correction Amount field.

Adjust the invoiced unit price of a previously matched purchase order shipment by matching a price correction to it. To record a price increase for a purchase order shipment, enter the Unit Price for the incremental amount of the price correction, and enter either Quantity Invoiced or Match Amount for each shipment you want to match to. If you enter a value for Quantity Invoiced on a price correction, the quantity is used only to calculate the Match Amount (Quantity Invoiced x Unit Price = Match Amount). Payables does not record this quantity in the Invoiced Quantity field on the credit/debit memo distribution because a price correction does not involve the movement of goods, only an adjustment in the price of previously invoiced goods.

## Price Correction Example



### Price Correction Example

The graphic describes price correction example.

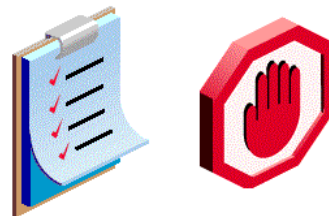
For example, you may want to record a price correction for a purchase order shipment if you receive an invoice from the supplier that is an adjustment to the unit price of an invoice you previously matched to that purchase order shipment. Price corrections adjust the unit price without adjusting the quantity billed on the purchase order.

In this example, the original invoice is overbilled by \$2/unit. The invoice was within tolerance so it was matched and paid. After the invoice price variance (IPV) was discovered, the buyer contacted the supplier who agreed to issue a credit memo to offset the over billed amount. The credit memo could be entered into the system without using the price correct functionality, but the invoice price variance offset would not be reflected. Using the price correction functionality corrects the invoice price variance but does not increment the quantity billed against the purchase order shipment.

**Note:** The IPV is calculated as (invoice unit price - purchase order line unit price) x quantity invoiced.

### Final Matching

During matching, select the Final Match option to indicate that no more invoices should be matched to the purchase order.



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### Final Matching

If you select Final Match and you match to a purchase order, the closure status of the entire purchase order is changed to Finally Closed when you validate the invoice. If you match to a purchase order shipment, the closure status of the shipment is changed to Finally Closed when you validate the invoice.

In Purchasing, you can finally close a purchase order at the following levels: header, release, line, or shipment. When you finally close a purchase order at one level then all sublevels are also finally closed. No further actions can be performed against a purchase order level that is finally closed.

If the **AP: Show Finally Closed POs** profile option is set to No, Payables does not display purchase orders that are finally closed during invoice entry. If the profile option is set to Yes then Payables displays these purchase orders but you can't match to them. If an invoice is matched to a purchase order shipment and the purchase order shipment becomes finally closed before the invoice is validated, then Payables applies a Finally Closed PO hold on the invoice. You cannot manually release this hold. You must reverse the match in the Distributions window and revalidate the invoice to release this hold. You can then match the invoice to a different purchase order or enter distributions manually.

If you final match an invoice to a purchase order and the invoice has an exception that causes a hold on the invoice, Payables also places a Can't Try PO Close hold on the invoice. To release this hold, you must release the other holds on the invoice and revalidate the invoice.

If you use automated receipt accrual in Purchasing and you final match an invoice to a purchase order shipment that is not fully delivered (quantity delivered is not equal to quantity received), Payables places a Can't Close PO hold on the invoice. If you manually release the hold, Payables disables the Final Match check box for any distribution on that invoice that is matched to the shipment.

If you are using encumbrance accounting and you mark an invoice distribution as a final match to a purchase order, the system creates reversing journal entries for all outstanding encumbrances on that purchase order.

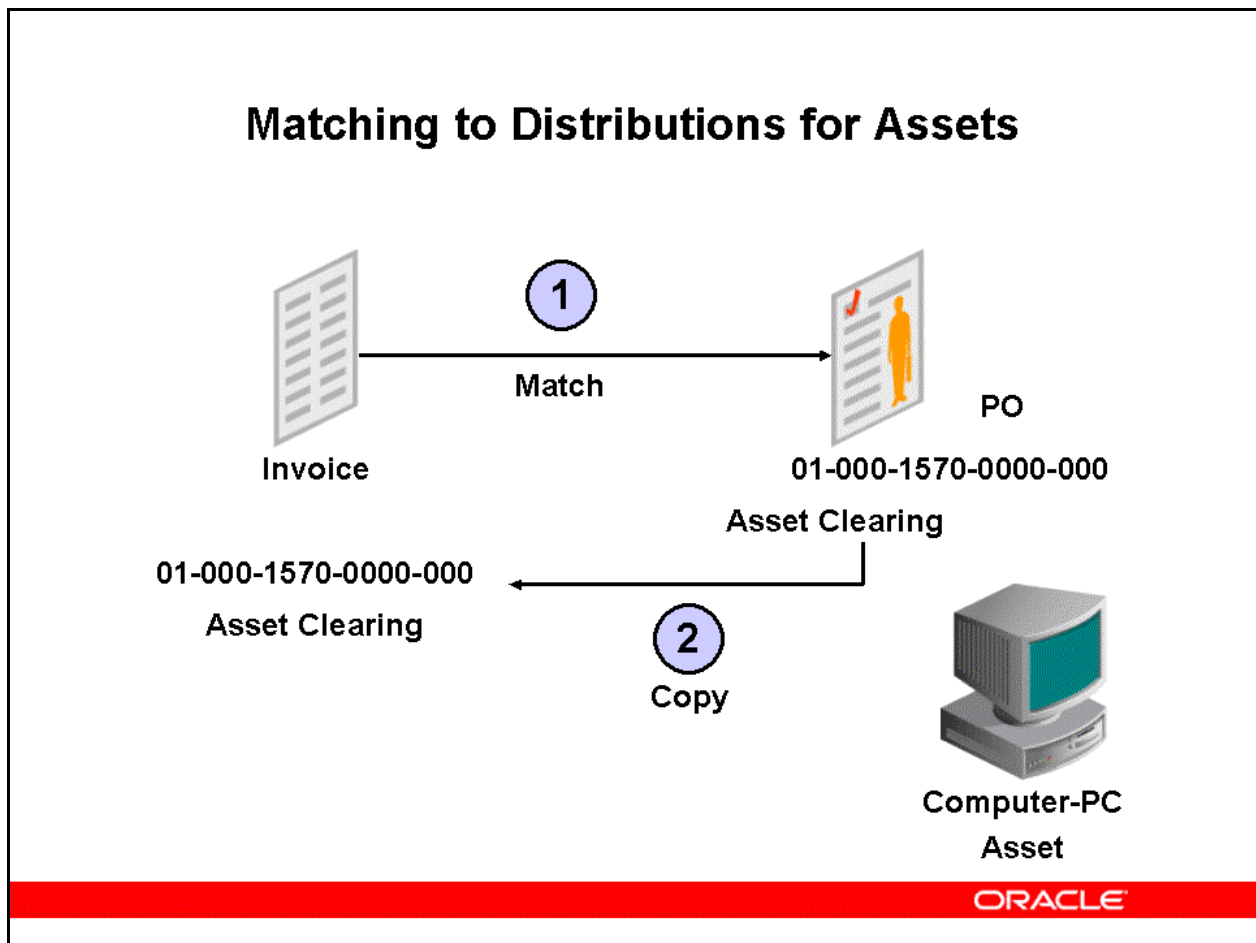
**Note:** You cannot final match to a purchase order when you are matching to receipts. Also, you cannot final match a prepayment.

### Types of Accounting Flows

- Asset account
- Expense account
- Accrual account

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## Matching to Distributions for Assets



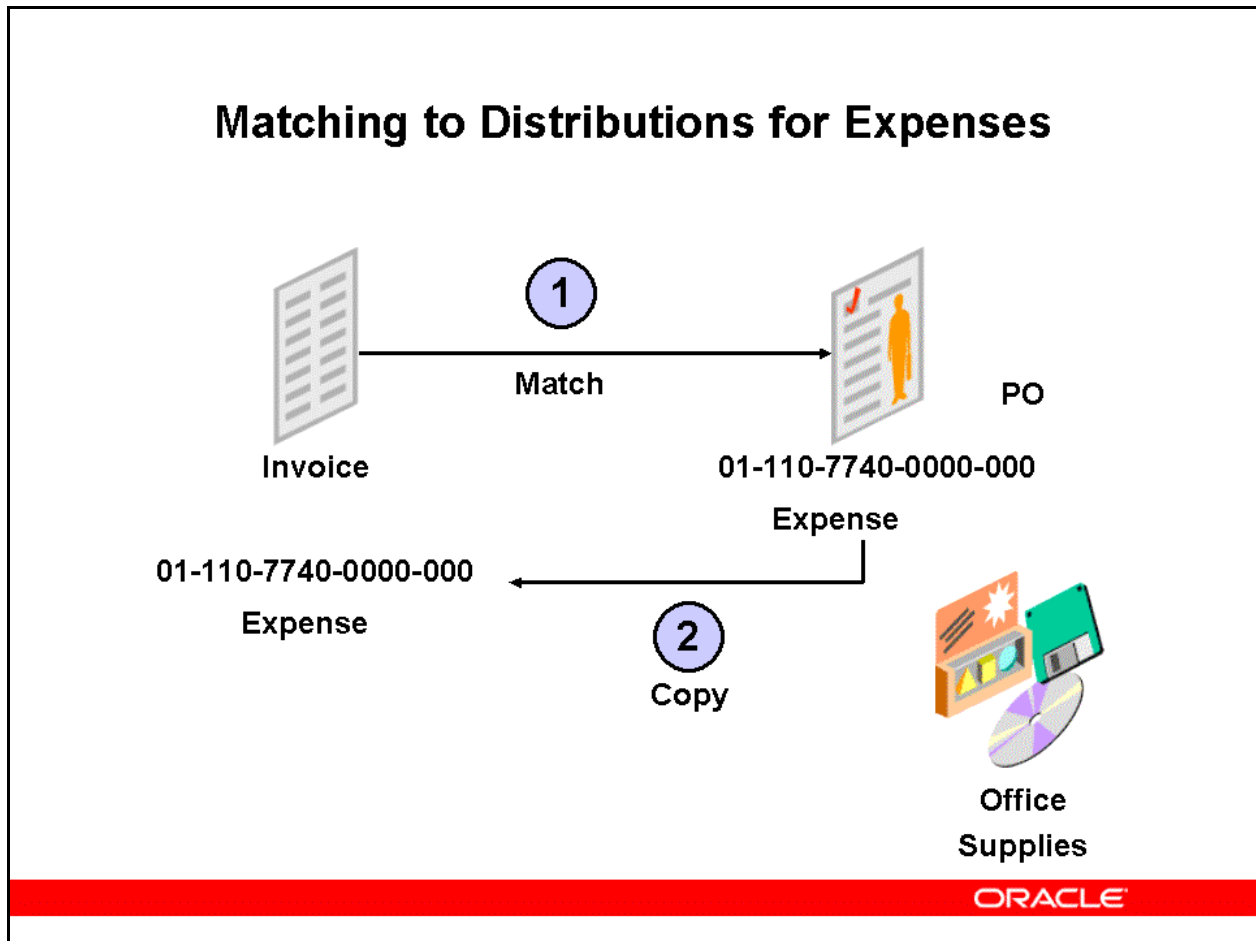
### Matching to Distributions for Assets

The graphic describes matching to distributions for Assets.

The charge account on the purchase order for an item that will be capitalized and depreciated is a balance sheet account and will be a clearing account associated with an asset category (like COMPUTER-PC) in Assets. After matching, the asset clearing account will be on the distribution for the invoice. When the asset is prepared and posted to Assets, the clearing account is cleared and the asset cost account associated with the asset category is charged for the cost of the asset. Payables will transfer the asset clearing account to the general ledger and Assets will transfer the clearing account clearing entry and the asset cost entry.



## Matching to Distributions for Expenses

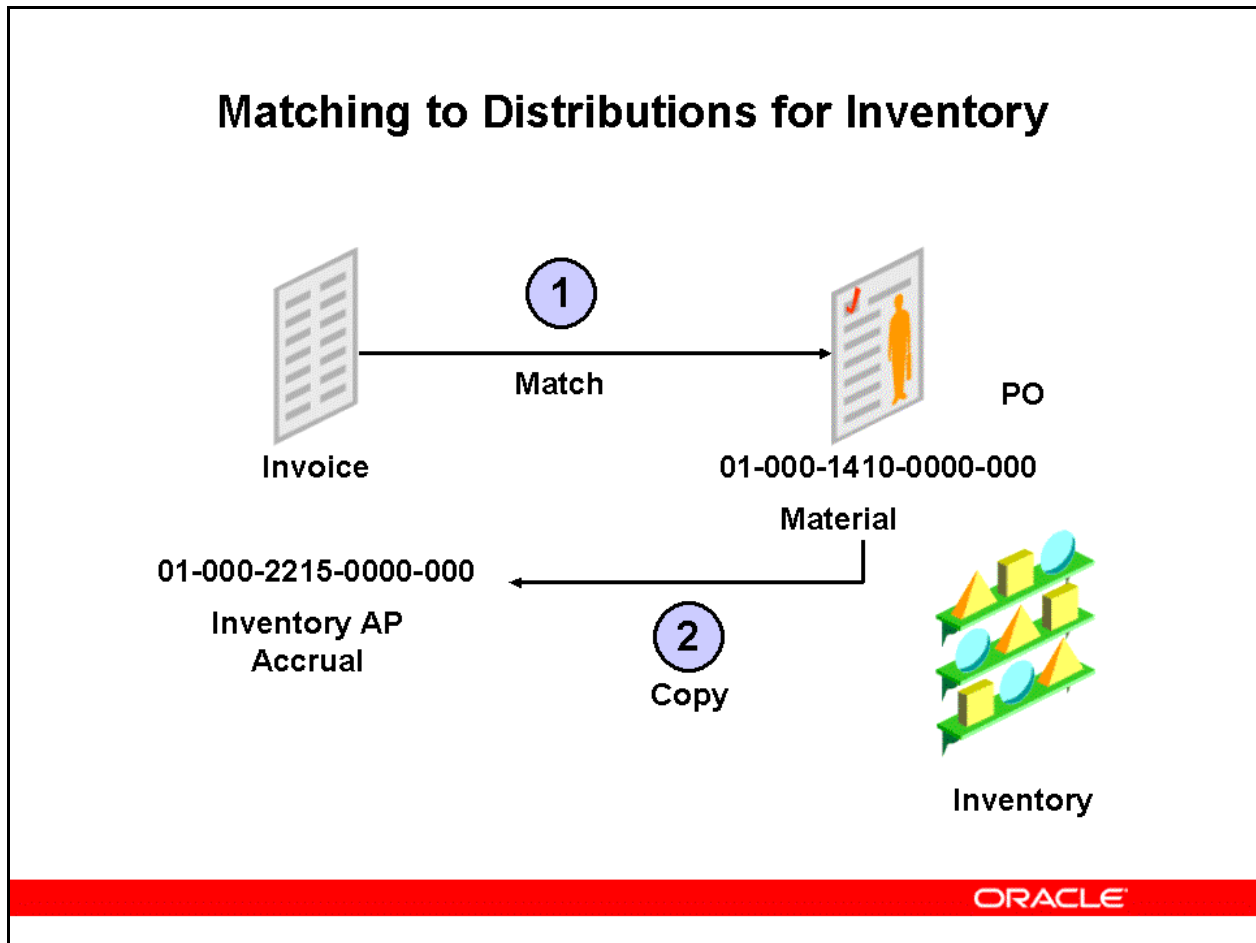


### Matching to Distributions for Expenses

The graphic describes matching to distributions for Expenses.

The charge account on the purchase order for an item that will be expensed (for example, office supplies) is an income statement account. After matching, the expense account is transferred to the invoice distribution if you are accruing at period end. When accounting is transferred to the general ledger, the amount charged to the expense account can be reported on the income statement.

## Matching to Distributions for Inventory



### Matching to Distributions for Inventory

The graphic describes matching to distributions for Inventory.

The charge account on the purchase order for an item that will be capitalized as inventory is a balance sheet account and will be a material clearing account associated with an inventory organization in Inventory. After matching, the Inventory AP Accrual Account will be on the distribution for the invoice. When the receipt is processed the AP Accrual Account (uninvoiced receipts account) is credited. When booking the invoice and matching, the receipt is now invoiced and the balance in the AP Accrual Account must be cleared. At receipt, Purchasing will transfer the accrual to the AP Accrual Account (a credit) and after matching, Payables will transfer the clearing entry to the AP Accrual Account as part of the Transfer Journals to GL process.

## Define Purchase Order Matching Tolerances (Optional)

---

### **Define Purchase Order Matching Tolerances (Optional)**

- Quantity ordered %
- Maximum quantity ordered
- Quantity received %
- Maximum quantity received
- Price %
- Exchange rate amount
- Shipment amount
- Total amount

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### **Define Purchase Order Matching Tolerances (Optional)**

(N) Setup > Invoice > Tolerances

Use the Invoice Tolerances window to define the matching tolerances you want to allow for variances between invoice, purchase order, and receipt information. You can define both percentage-based and amount-based tolerances.

If you enter a zero for a percentage tolerance and enable the check box for that tolerance, Payables will not allow any variance at all. If you want a low tolerance, you can enter a very small percentage. If you enter no value, then Payables will allow infinite variance.

If you enter an amount-based tolerance, enter all amounts in your ledger currency.

If an invoice exceeds these tolerances, Invoice Validation will apply a hold to it.

## Define Tax Tolerances (Optional)

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### Define Tax Tolerances (Optional)

- Tax %
- Tax amount range

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### Define Tax Tolerances (Optional)

(N) Setup > Options > Payables Options > Invoice > Tax Tolerances

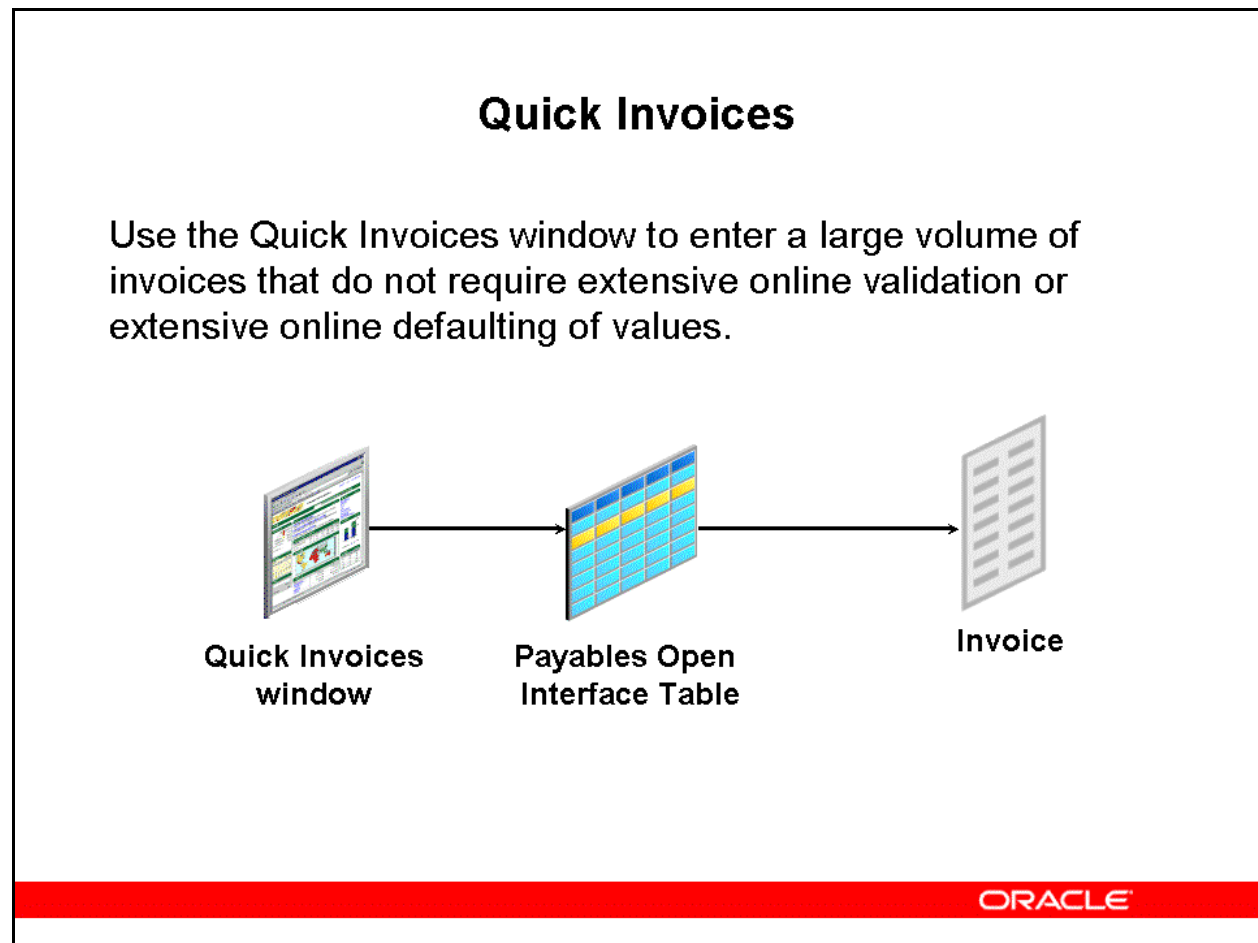
Use the Invoice Tax Payables Options to define the tax tolerances for the entry of tax override values on Payables event class transactions belonging to a configuration owner. Tax tolerances are used to determine whether E-Business Tax places a tax hold on an invoice due to the override of calculated tax lines.

A *tax tolerance* is the acceptable variance between the calculated tax amount on an invoice and the override tax amount entered by the user. If the variance between these two amounts exceeds the tolerances you specify, then E-Business Tax places the invoice on hold.

To define tax tolerances, you must first set the Allow Override for Calculated Tax Lines option. Setting the Allow Override for Calculated Tax Lines option lets you override automatically calculated tax lines on transactions. You use tax tolerances to define the limits of user override.

If an invoice exceeds these tolerances, E-Business Tax will apply a hold to it during Invoice Validation.

## Quick Invoices



### Quick Invoices

The graphic describes quick invoices.

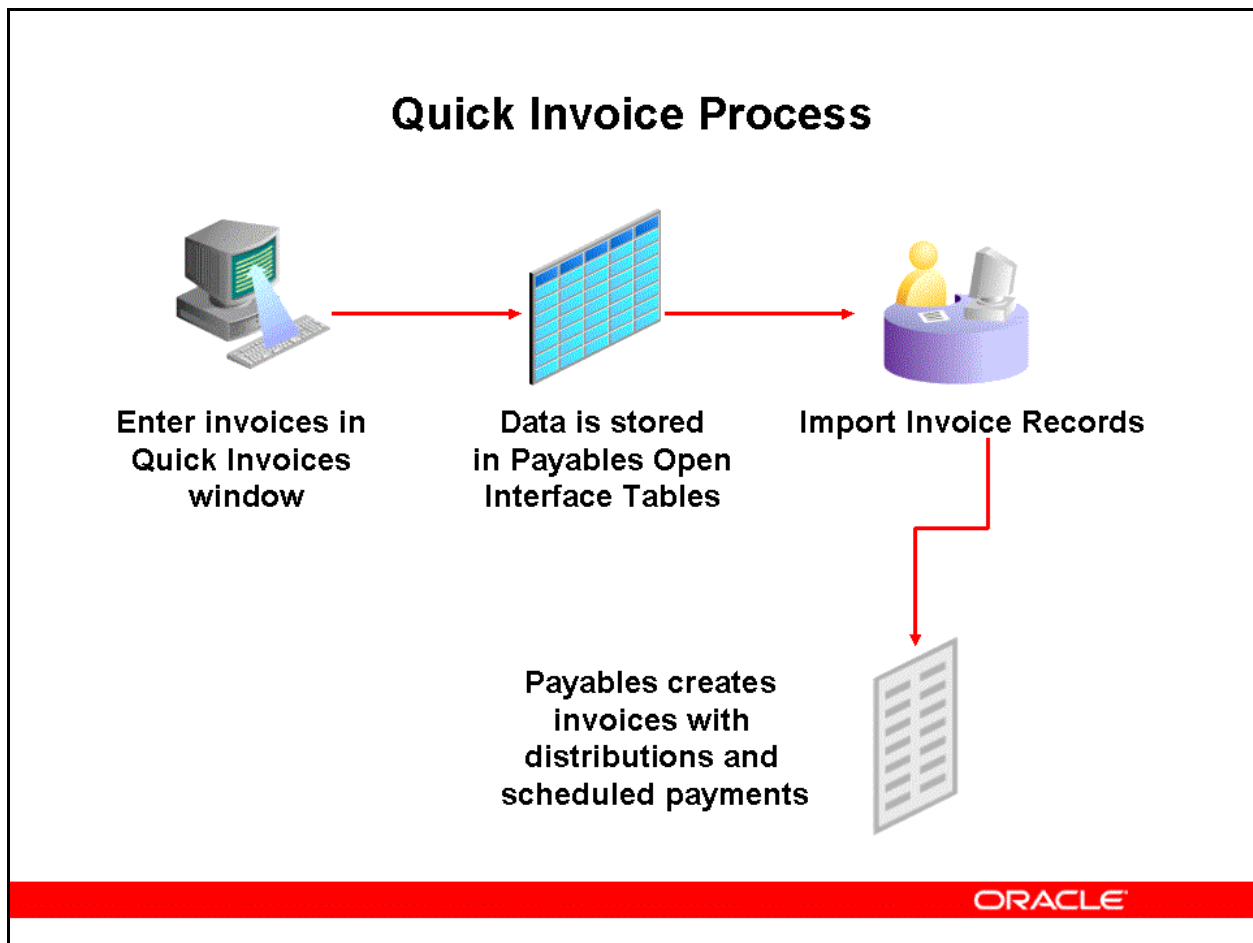
You use the Quick Invoices window for your everyday entry of invoice records. You use this window for rapid, high-volume entry of Standard and Credit Memo invoices that are not complex and do not require extensive online validation or defaulting of values during entry. You can use this window for purchase order matching and for applying prepayments to the invoice you are entering.

The information entered in the Quick Invoices window is stored in the Payables Open Interface tables. Because the system performs limited validation and defaulting of invoice values while you are entering invoices, you can enter invoices more quickly in the Quick Invoices window than you can in the Invoice Workbench.

You can use the Quick Invoices window if you want to use the Open Interface Workflow. You can customize the Open Interface Workflow to process your invoice records before you import them. For example, you can perform custom validation of cost center information before you submit import.

**Note:** Speed up invoice record entry by customizing Quick Invoices folders. You can resize, rename, move, and hide fields to meet your needs.

## Quick Invoice Process



### Quick Invoice Process

The graphic describes quick invoice process.

When you enter invoice records in the Quick Invoices window, you can submit a customized workflow program to automate your processes for managing invoices. For example, you can customize the workflow program to validate the cost center on all invoices before you import them.

The invoice records you enter in the Quick Invoices window are stored in interface tables: AP\_INVOICES\_INTERFACE and AP\_INVOICE\_LINES\_INTERFACE.

These tables store invoice header and line information.

Import invoice records by using the Create Invoices window, or by submitting the Payables Open Interface Import Program from the Submit Request window.

Payables validates the invoice records during import and creates invoices with distributions and scheduled payments.

After import, Payables provides a report that lists invoice records that were successfully imported and any that could not be imported because they had invalid or missing information. You can query the rejected invoice records in the Quick Invoices window, correct them, and then resubmit them for import.

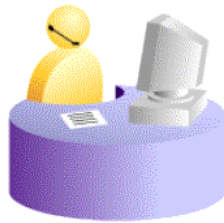
When you import invoice records successfully, Payables creates regular invoices that you can view, modify, and validate in the Invoice Workbench.

After you successfully create invoices based on data in the invoice records, you can purge the invoice records from the Open Interface tables.

### Quick Invoice Batches

Assign a batch name to group the invoice records in the Quick Invoices window.

Payables assigns the batch name to each invoice record you enter.



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### Quick Invoice Batches

You can use the Quick Invoices Batch name to query the group of invoice records in the Quick Invoices window, and to identify a group of invoice records that you want to import together.

Note that if you use invoice batch control and you want to maintain the grouping of invoices after import, then when you submit import for the Quick Invoices batch, you can assign an Invoice Batch name to the group of invoices that Payables creates.

You can then use the Invoice Batch name to query the same group of invoices in the Invoice Workbench.

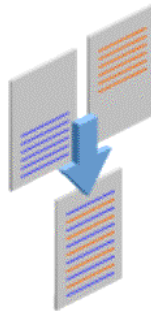


## Entering Purchase Order Matched Invoice Records in Quick Invoices

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### Entering Purchase Order Matched Invoice Records in Quick Invoices

When you enter a purchase order matched invoice record, the import process automatically creates invoice distributions for you based on your match.



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### Entering Purchase Order Matched Invoice Records in Quick Invoices

You can match to a purchase order receipt, and you can match to a purchase order at different levels: purchase order header, purchase order line, purchase order shipment, purchase order distribution.

When you are matching to a purchase order, also open the View PO window to have easy access to purchase order information.

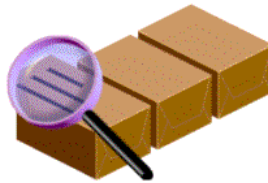
**Note:** During import, the system does not check quantity or unit price tolerances. If the invoice exceeds the tolerances you have set in the Invoice Tolerances window, Payables applies a system hold on the invoice at Invoice Validation time.

#### Matching to Receipts in the Quick Invoices

You can match to a receipt associated with a purchase order shipment. Specify the purchase order number and the receipt to which you want to match.

### Finding Invoice Records in Quick Invoices

You can query any invoice record in the Quick Invoices window if you entered it in the Quick Invoices window and you have not yet purged the invoice record from the Payables Open Interface tables.



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### Finding Invoice Records in Quick Invoices

If you have successfully imported the invoice record, we recommend that you view it in the Invoice Workbench, where you can see the new distributions, scheduled payments, and defaults that were assigned during import.

To find invoice records that are in the same Quick Invoices batch, you can use the Quick Invoices Identification window. Or, to find invoice records regardless of Quick Invoices batch, you can perform a query directly in the Quick Invoices window. For example, to see all invoice records that have been rejected in all batches, you can query all invoices with the Status of Rejected.

If you entered invoices in the Payables Open Interface from other sources such as e–Commerce Gateway or your credit card enterprise and you want to view or modify them, do not use the Quick Invoices window, use the Open Interface Invoices window instead.

### Modifying Invoice Records in Quick Invoices

In the Quick Invoices window, you can modify any invoice record you entered in the Quick Invoices window but have not successfully imported.



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### Modifying Invoice Records in Quick Invoices

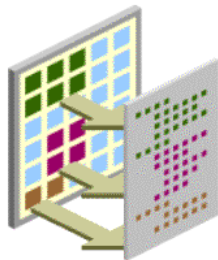
If you have successfully imported an invoice record and want to modify it, you must use the Invoice Workbench.

When correcting problems with invoice records rejected during import, you can find the rejection reason by looking at the Payables Open Interface Import Report, or you can query the record in the Quick Invoices window and choose the Rejections button to see the rejection reason in the Rejections window.

### **Adding Invoice Records to an Existing Quick Invoices Batch**

You can add invoice records to a Quick Invoices Batch at any time.

Either query an existing batch and add invoice records to it, or add invoice records to an existing batch by using the same Source and Batch Name when you enter new invoice records.

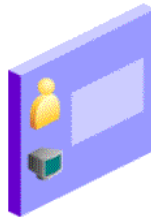


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### Creating Invoices From Quick Invoices Invoice Records (Import)

Import invoices records you entered in the Quick Invoices window using the Create Invoices window, or by submitting the Payables Open Interface Import Program.

You can view and modify imported invoice records in the Invoice Workbench.



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### Creating Invoices From Quick Invoices Invoice Records (Import)

You can also validate and pay the invoices after import.

If you import invoice records using the Payables Open Interface program, you can optionally specify only the Source, and not the Quick Invoices Batch Name (Group parameter).

For further information on Quick Invoice window references, including the Header region, Lines region, and Display Only region, please refer to the *Oracle Payables User's Guide*.

### Entering Recurring Invoices

You can enter invoices for periodic expenses for which you may not receive invoices, such as rent.

To enter recurring invoices:

- Define a special calendar
- Define a recurring invoice template
- Create invoices based on the template



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### Entering Recurring Invoices

#### Recurring Invoice Template

With a recurring invoice template, you can do the following:

- Specify the intervals in which invoices based on the recurring invoice template will be created.
- Create up to two special one-time invoice amounts of a non-standard amount, such as a deposit or balloon payment.
- Define recurring invoices to increase or decrease by a fixed percentage from period to period.

When Payables creates recurring invoices, the invoice date is the first date of the period in which the recurring invoice is created. The Terms Date depends on the Terms Date Basis setting at the supplier site, but is calculated differently than for regular invoices:

- If the Terms Date Basis is set to System Date, then the Terms Date is the same date that the recurring invoice was created.
- If the Terms Date Basis is set to anything else, then the Terms Date is the invoice date, which is the first day of the period in which the recurring invoice is created.

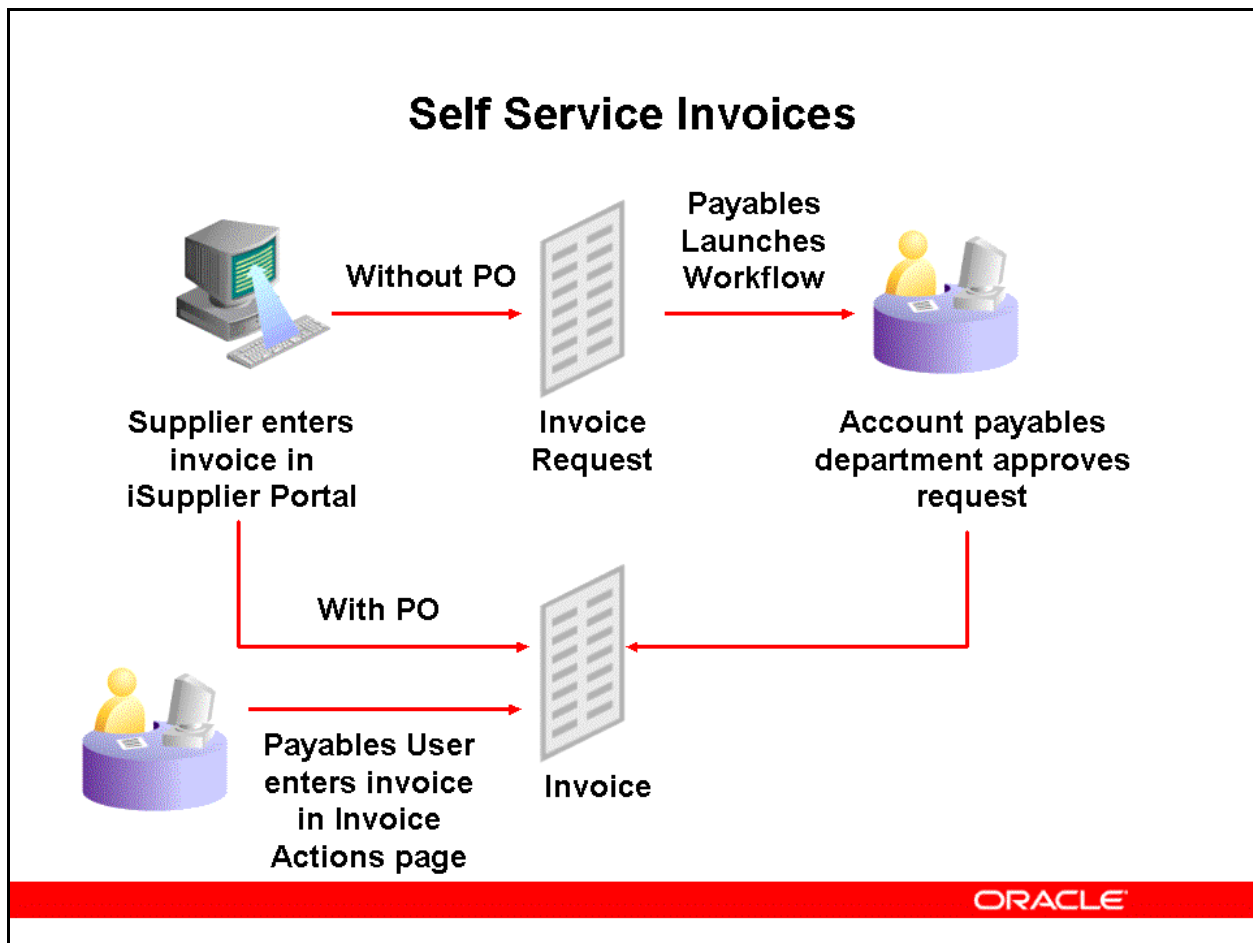
#### Special Calendar

You use the Special Calendar window to define periods that Payables uses for automatic withholding tax, recurring invoices, payment terms, and for the Key Indicators Report. For example, if you monitor staff productivity weekly, use this window to define weekly periods for the Key Indicators calendar type.

The Report Run display-only check box indicates that a Key Indicators Report has been run for this period. The check box is not applicable to Payment Terms, Withholding Tax, or Recurring Invoices calendar types.

**Note:** The periods you define in the Special Calendar window are completely separate from the periods you define in the Accounting Calendar window for your AP Accounting Periods.

## Self Service Invoices



### Self Service Invoices

The graphic describes self service Invoices.

Suppliers who have been granted an iSupplier Portal user account, can enter invoices using iSupplier Portal.

Payables integrates with Oracle iSupplier Portal to enable suppliers to create, submit, and view self service invoices. Suppliers with an iSupplier Portal account can create invoices for:

- Open, approved, standard, or blanket purchase orders that are not fully billed
- Items from multiple purchase orders
- Items for which there is no purchase order

Suppliers can also use iSupplier Portal to enter credit memos against a fully billed purchase order. Depending on the supplier setup, suppliers can use iSupplier Portal to view self service invoices, including any retainage and recoupment information for Contract Financing Invoices. In addition, iSupplier Portal also allows suppliers to request advances. Suppliers can only request advances if the advances were pre-approved on the purchase order. Even if you don't implement Oracle iSupplier Portal, you can also allow internal users to enter self service invoices using the Invoice Actions page.

If the supplier submits an invoice that is matched to a purchase order, the invoice is entered directly in Payables. It is considered a liability and can be updated and validated in Payables.



If the supplier submits an invoice request that is matched to receipt, you will only be able to enter an invoice for the shipments that have been received. For example, if you ordered 50 items, but have received only 35 items, then you will only be able to create an invoice for the 35 items you have received.

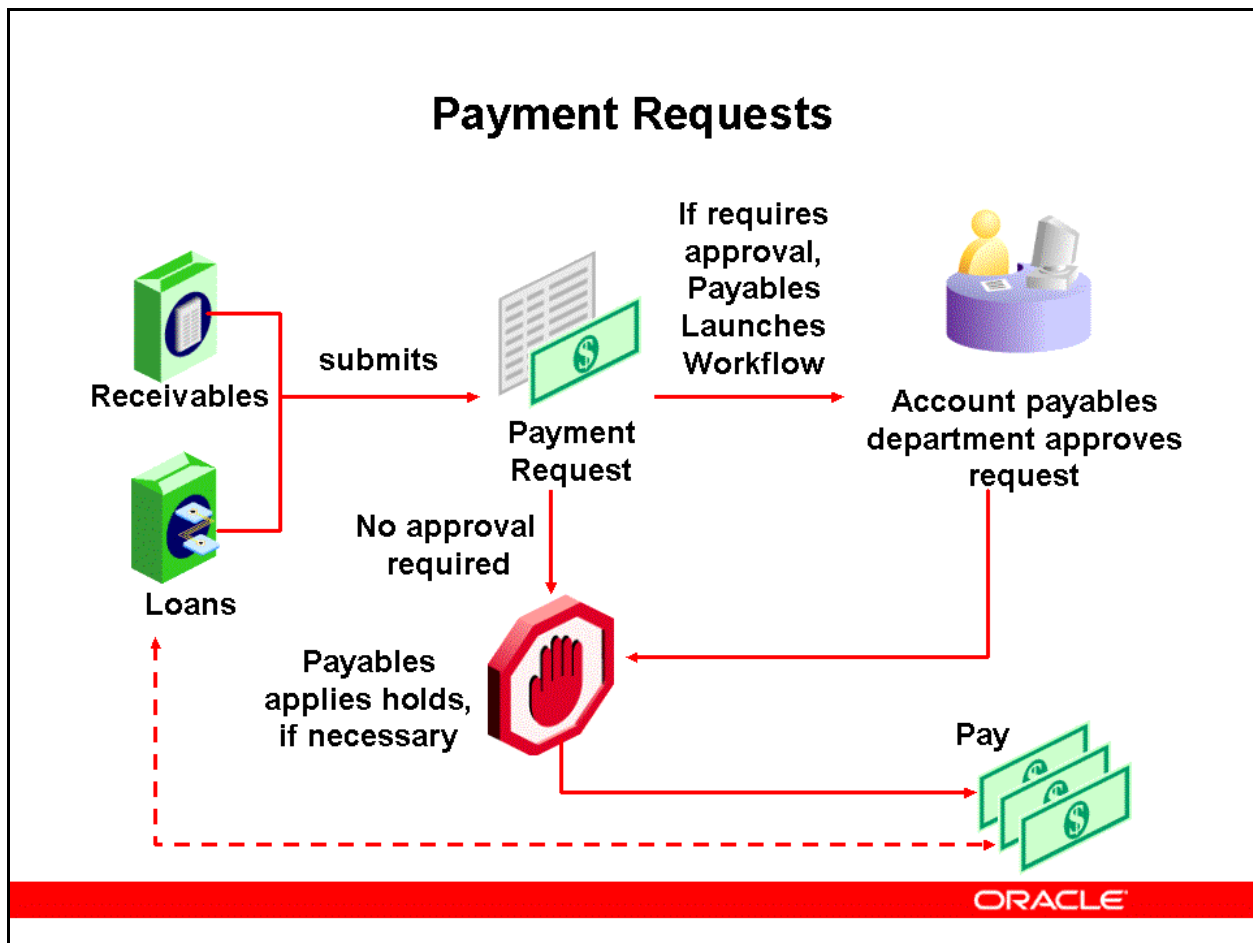
When you enter self service invoices that are not matched to a purchase order, follow the same steps for entering an invoice that is matched to a purchase order, but, additionally, enter a Requestor. The Requestor is the person who is responsible for approving the invoice in Payables. Once you submit the invoice, it is entered in Payables as a "Standard Invoice Request". Payables automatically initiates the Invoice Approvals Workflow even if you set the **Require Validation Before Approval** Payables Option to No. During the workflow, the requestor and other approvers can enter in accounts and distribution amounts. The requestor and approvers can approve or reject the invoice, or they can request that the supplier enter into negotiation. Self service invoices that are not matched to a purchase order are not considered a liability and cannot be updated in Payables until they are approved. Once the invoice is approved, the invoice type changes from Standard Invoice Request to Standard Invoice and you can update the invoice in Payables.

To grant internal users access to the Invoice Actions page to enter self service invoices, grant the user the Payables Request responsibility. You do not need to implement iSupplier Portal to grant this responsibility to users. Users with the Payables Request responsibility can only create invoices in the Invoice Actions page. In addition, the internal user will only have access to the suppliers that are part of the Organization that the internal user belongs to. For example, if the user is in the North American organization, he will only have access to suppliers assigned to that organization, and not to suppliers assigned to other organizations such as Europe or Africa.

#### **Special Considerations for Self Service Invoices**

- Suppliers cannot access cancelled shipments for invoicing.
- If a shipment has multiple distributions and the shipment is partially billed then the system prorates the quantity billed across the distributions. You can adjust the distributions in Payables after the invoice is submitted.

## Payment Requests



### Payment Requests

The graphic describes Payment requests.

You can use Payables to disburse funds to a party (a payee) who is not defined as a trading partner in your supplier master. E-Business Suite products, such as Oracle Receivables and Oracle Loans, can submit disbursement requests to Payables, where you can disburse the funds and manage the payment process using the payment management features that are available in Payables. When a disbursement request is submitted to Payables, it is recorded as a *payment request*.

Using payment requests you can:

- Approve payment requests using the Invoice Approval Workflow
- Account for payment requests, through Payables' integration with Oracle Subledger Accounting
- Calculate and manage tax, through Payables' integration with Oracle E-Business Tax
- Pay and report on payment requests

You can submit a payment request from another application, for example, from Receivables to pay a customer for an On Account Credit Memo, or from Loans to disburse funds for a loan, and Payables will verify, account, tax, and approve the payment request. You can track the

progress of the payment request in the originating application. Once the payment request is approved, you can report and audit the payment request in Payables.

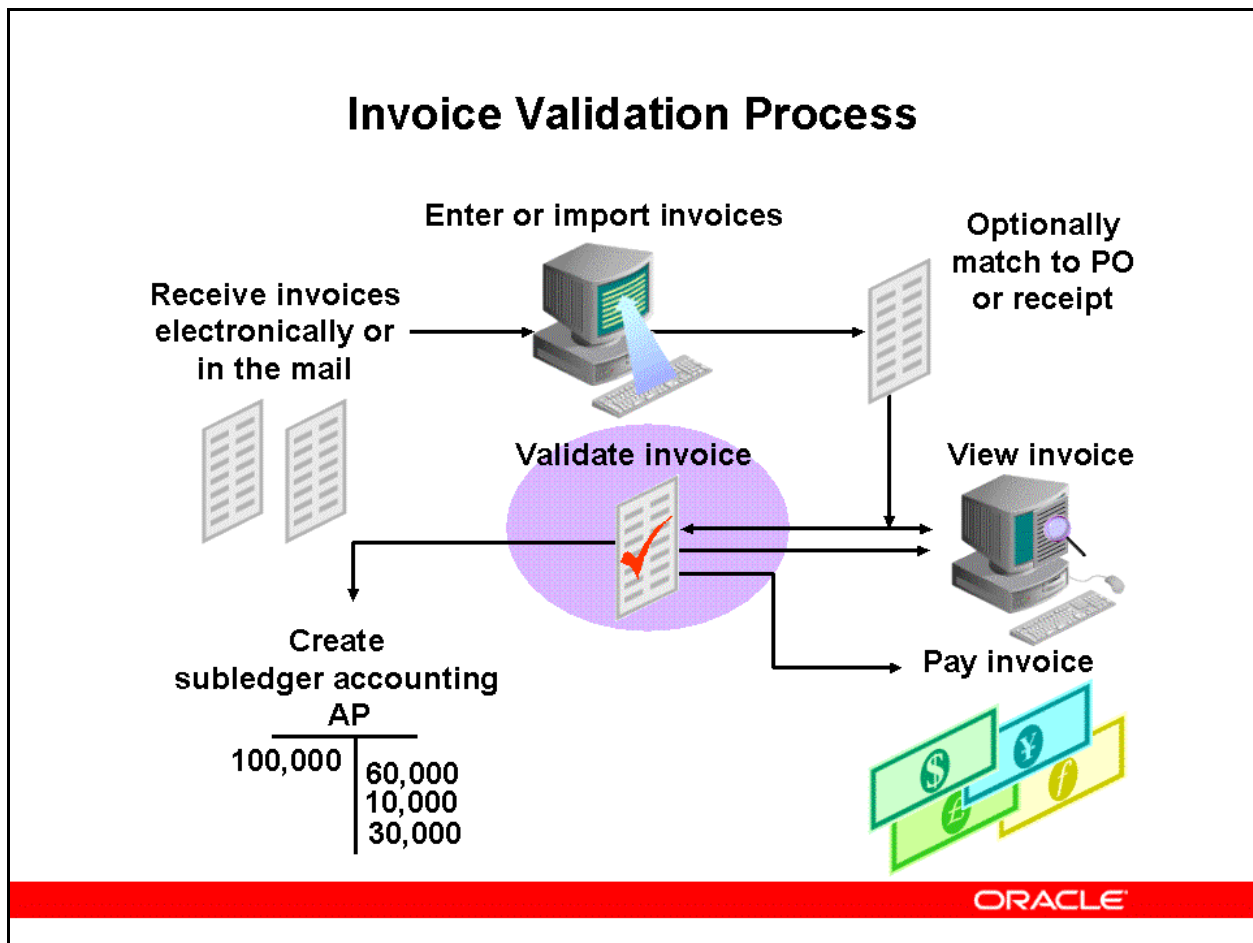
You can only submit a payment request from other applications; you cannot enter a payment request for a payee directly in Payables.

The payment request process is as follows:

1. Submit a request to disburse funds from another application, such as Receivables or Loans. Note that you cannot submit a payment request in Payables.
2. Payables automatically creates a payment request, in real-time.
3. Once the payment request is created, you can search for it just as you would search for an invoice. Enter Payment Request in the Type field and enter the payee name in the Trading Partner field. Note that because the payee is not a supplier, do not enter a Supplier Number.
4. If the payment request requires approval, use the Invoice Approval Workflow to approve payment requests.
5. Payables applies holds to the payment request if there are any exceptions.
6. Once the holds are released and the payment request is approved, it can be paid as a single payment or as part of a payment run. Once the payment request is paid, your auditors can view the request to disburse funds in the originating application and the payment request in Payables.

Once you enter a payment request, you cannot delete the payment request or update the payment request fields. If necessary, you can cancel the payment request or void the payment, just as you would for an invoice. Payables notifies the originating application to respond to these actions.

## Invoice Validation Process



### Invoice Validation Process

The graphic describes Invoice Validation process.

Before you can pay or account for an invoice (including prepayments), you must submit Invoice Validation for the invoice in one of three ways:

- **System:** Submit the Invoice Validation program from the Submit Request window.
- **Batch:** Use the Validate button in the Invoice Batches window.
- **Online:** Use the Validate button in Invoice Actions window.

Invoice Validation validates the matching, tax, period status, exchange rate, and distribution information for invoices you enter and automatically applies holds to exception invoices. It checks the supplier site to determine which invoice tolerance template to use. If no invoice tolerance template is specified, tolerance checking is not performed. If an invoice tolerance template is specified, Invoice Validation will check against the specific invoice tolerances template stored in the Invoice Tolerances window to determine if the invoice falls within the defined tolerances and automatically applies holds to exception invoices.

If an invoice has a hold, you can release the hold by correcting the exception and then resubmitting Invoice Validation. Correct exceptions by updating the invoice or the purchase order, or change your Invoice Tolerances. Payables automatically releases the hold when the

exception is no longer an issue. You can manually release certain invoice holds even if you have not resolved the matching error condition. You can do this in the Invoice Holds window. You can identify all invoices that Payables has not yet reviewed with Invoice Validation by submitting the Invoice Register for unvalidated invoices only. You can check the validation status of an invoice online in the Invoice Overview window or the Invoices window.

Payables and Oracle Alert integrate to alert the appropriate accounts payable or purchasing staff when you or Payables place an invoice on hold. Oracle Alert also provides an integrated system of alerts, messages, and message distribution to focus attention on time-sensitive or critical information and streamline the validation process. Exception reporting in Oracle Alert is accomplished using either electronic mail or paper reports.

### Levels of Invoice Validation

- System level validation
- Batch level validation
- Invoice level (online) validation



Validate invoice

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### Levels of Invoice Validation

#### System level validation

Manually submit the Payables Invoice Validation process or schedule it to run periodically from the Submit Request window. Submit the Payables Invoice Validation process right before you process payments to update the status on all invoices. Payables will use the Option parameter to select unvalidated invoices for validation. Enter All to ensure you release any existing holds on invoices as well as place new holds. Otherwise, Invoice Validation reviews only those invoice distributions that were not already reviewed by Invoice Validation. Optionally, enter other criteria to submit Invoice Validation for specific groups of invoices.

#### Batch level validation

Submit Invoice Validation for one or more invoice batches from the Invoice Batches window. Batch level validation is only allowed if the Allow online validation Payables option is enabled also.

#### Invoice level (online) validation

If the Payables option to allow online validation is enabled, you can submit online validation for one or more individual invoices when an invoice must be validated and paid immediately. You can also validate related invoices for credit and debit memos by choosing Validate Related Invoices in the Actions window after you enter a credit or debit memo.

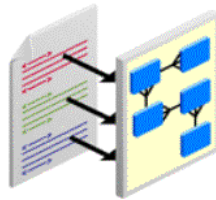
Invoice level (online) validation is only allowed if the Allow online validation Payables option is enabled also.

### **Validation and Approval**

The order of the Invoice Validation process and Invoice Approval Workflow Program is based on the Approval Processing Sequence Payables option. For example, you might want to validate before you approve to create tax lines and distributions for your invoices.

### Approval

The Invoice Approval Workflow Program can be submitted before or after validation, unless the Require Validation Before Approval Payables option is enabled.



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### Approval

You might want to enable the Require Validation Before Approval Payables option if your approvers need to review tax details before they approve an invoice.

#### Invoice Selection Criteria

An invoice must meet all of the following criteria to be processed:

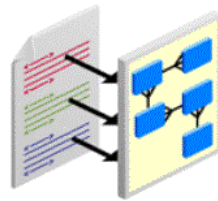
1. If the Require Validation Before Approval Payables option is enabled, or if the invoice was submitted by a Supplier using iSupplier Portal, then the invoice must be validated.
2. The Approval field value in the Invoices window must be:
  - Required, if you submit the workflow program from the Submit Requests window
  - Anything except Initiated or Manually Approved, if you submit the workflow program from the Invoice Actions window
3. The invoice amount must equal the distribution total.



### Invoice Approval Levels

You can define the approval rules in Oracle Approvals Management in one of the following ways:

- Line-level rules only
- Document-level rules only
- Line-level and document-level rules



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### Invoice Approval Levels

The Invoice Approval Workflow process uses Oracle Approvals Management and Oracle Workflow to enable you to define business rules to determine who approves invoices and how they will be routed for approval to different approvers. The requester, who initiated the purchase of the line item, is one way of identifying the starting approver in the approval hierarchy using the business rules defined in Oracle Approvals Management. For information on defining rules in AME, refer to the *Oracle Approvals Management User Guide*.

#### Approving Invoices at the Line Level

Line-level approval is the approval of one specific line or set of lines within an invoice, rather than approving the entire document. Approvers have access to the Notification Detail and Interactive Line Details pages to review the invoice details. The pages display only the appropriate level of information for the approver to view. That is, approvers view only the information that they can approve or reject. Furthermore, no additional login or privileges are required for the approver to approve. The self-service login that an approver uses to view the notifications is sufficient to review the invoice information.

The system does not initiate document level approval until all lines have been approved. If an approver rejects one line, the remaining line level approvals continue to go through approval. This allows the continuation of the line level approval process while the rejected line is being

resolved. However, the system does not continue to document level approvals unless all lines are approved.

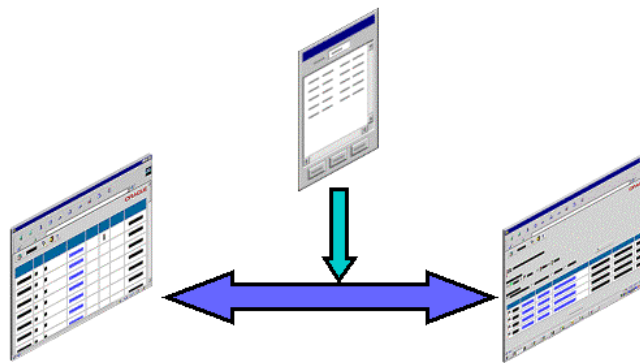
**Note:** Invoice approval workflow is required for self service invoices that are not matched to a purchase order. These invoices are entered in Oracle iSupplier Portal or using the Payables Request responsibility.

### **Approving Invoices at the Document (Invoice) Level**

Review the invoice and approve it, as necessary. If line-level approval is enabled, review the invoice line information before you approve or reject the entire invoice.

### Invoice Approval Workflow

The Invoice Approval Workflow automates your invoice approval process. Based on rules you define, the workflow determines if an invoice needs approval, who the approvers are, and in what order approvers should approve payment of the invoice.



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### Invoice Approval Workflow

The workflow then sequentially asks each approver in the approval list to approve invoices online. For example, you can define a rule so invoices over \$100,000 require CFO approval and then CEO approval.

If you use Invoice Approval Workflow, then every invoice that requires approval must be approved before you can pay it. Payables indicates that an invoice requires approval by setting the value in the Approval status field in the Invoices window to Required.

When you use this feature, all invoices require approval, with the following exceptions.

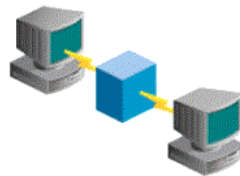
Payables sets the Approval status of the following invoices to Not Required:

- expense reports imported through the Expense Report Export program (because these expense reports have already been through an approval process)
- recurring invoices if the recurring invoice template did not have the Approval Workflow Required option enabled (because recurring invoices are often approved in advance)
- invoices that existed before you enabled the feature
- invoices that completed the Invoice Approval Workflow process and the Invoice Approval Workflow process determined that according to the rules set up in Oracle Approvals Management that no one needs to approve the invoice

You can submit the Invoice Approval Workflow for an invoice either from the Invoice Actions window, or from the Submit Requests window.

### System Setup

You can set up your system to request and receive approval through the approver's e-mail, through the approver's Oracle Workflow Notifications Workflow web page, or both.



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### System Setup

#### Notification from Approvers

Approvers can approve or reject the invoice.

- If an approver approves the invoice, then the invoice goes to the next person in the approver list until all required people approve the invoice.
- If an approver rejects the invoice, then the workflow program ends.
- If an approver does not respond within the time you specify, then Workflow will request approval from that person's manager.

If an approver rejects an invoice, then you can perform one of the following actions from the Invoice Actions window:

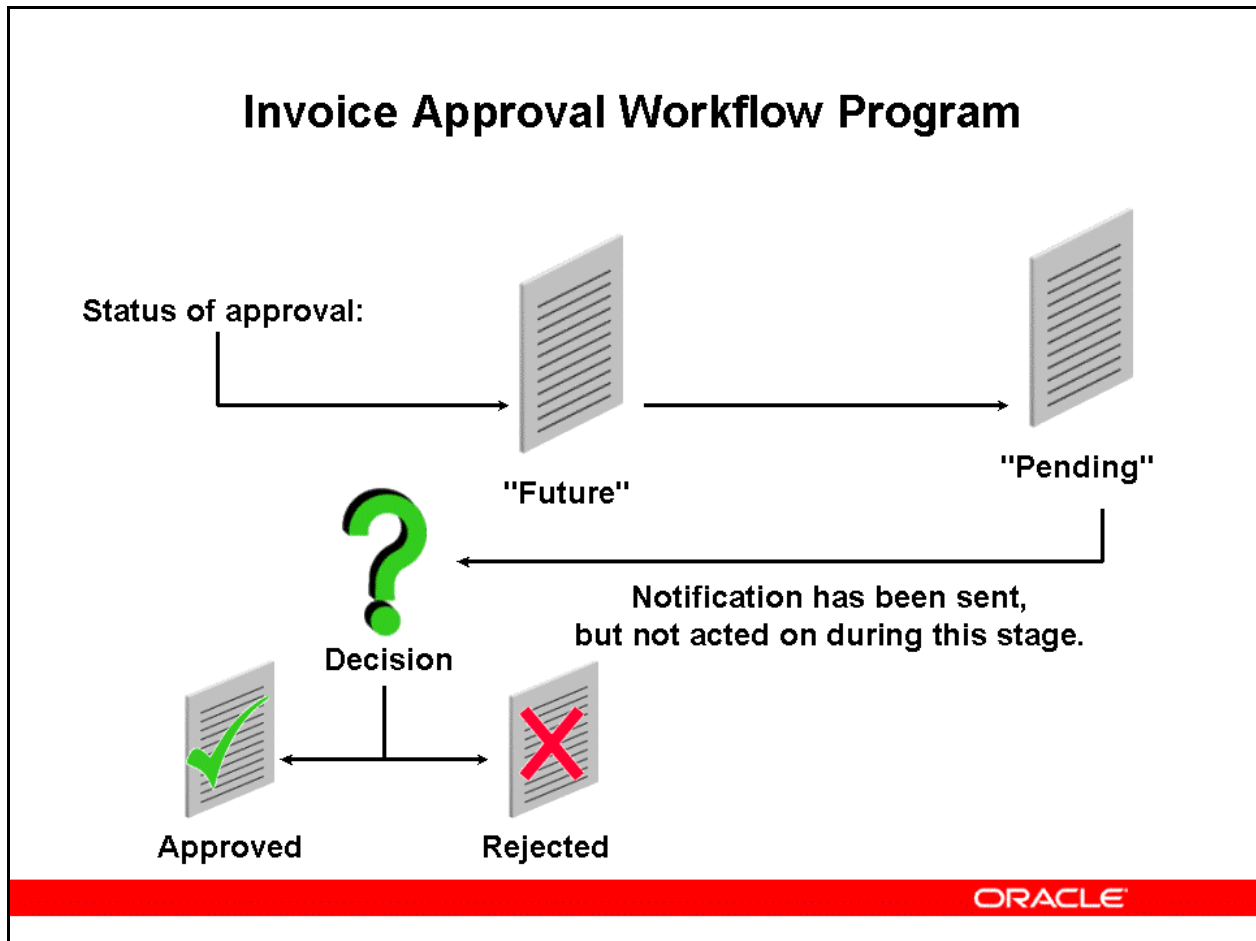
- Use the Force Approval option to manually approve the invoice
- Use the Initiate Approval option to resubmit the invoice to the Invoice Approval Workflow after correcting any issue that caused the approver to reject the invoice
- Use the Cancel Invoice option to cancel the invoice

**Suggestion:** We recommend that you schedule the Invoice Approval Status Report to run nightly so you can closely monitor your rejected invoices.

You can review the approval status of an invoice that has started the Invoice Approval Workflow in the following ways:

- Invoice Approval History window
- Invoice Approval Status Report

## Invoice Approval Workflow Program



### Invoice Approval Workflow Program

The graphic describes Invoice Approval Workflow program.

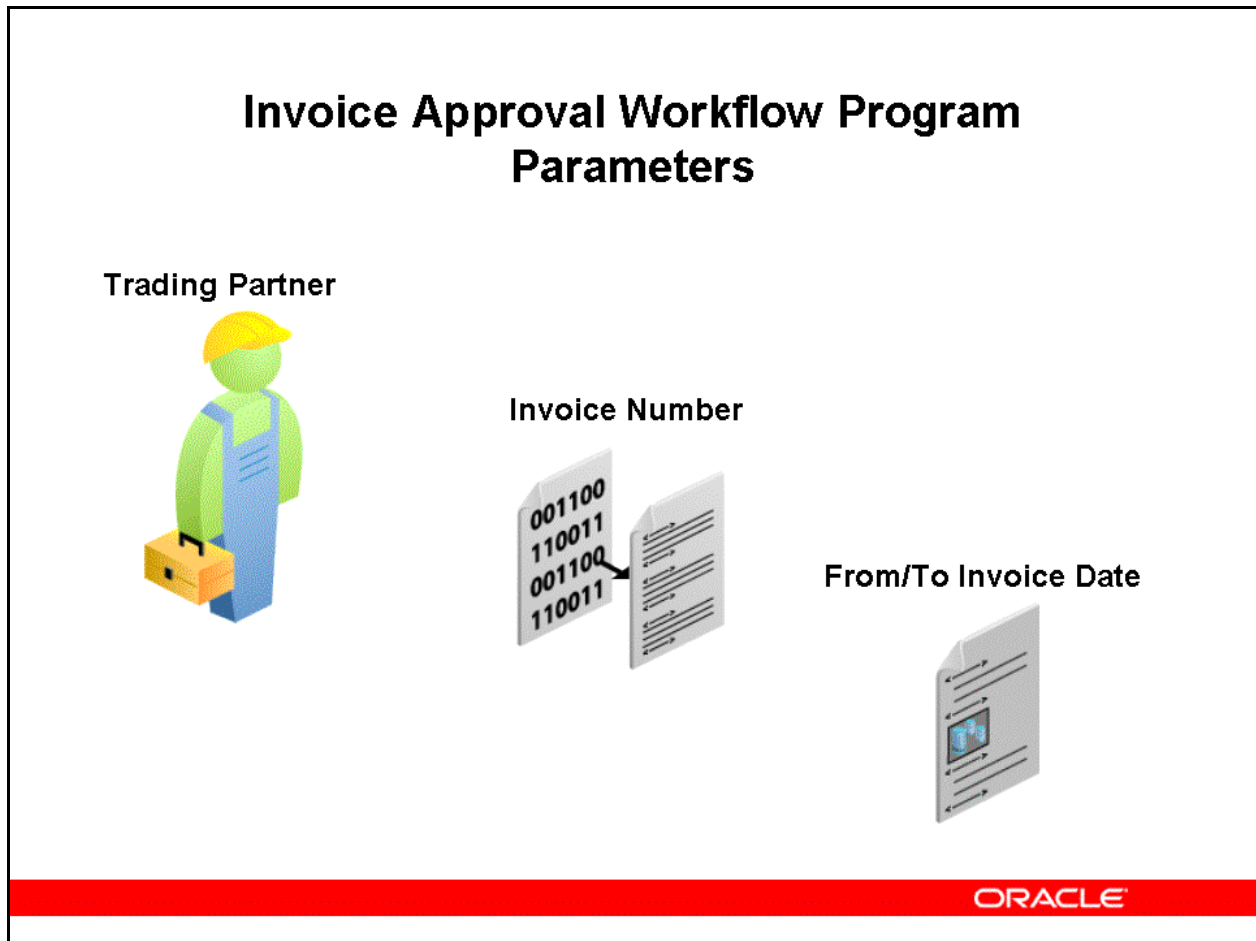
When you start this program, it updates the approval status of the invoice to Initiated. The invoice is then placed in the WF\_DEFERRED queue.

The next time the Workflow Agent Listener runs, the system initiates Invoice Approval Workflow for the invoice.

#### Prerequisites:

- Define all your invoice approval rules in Oracle Approvals Management (OAM).
- Set up, and optionally customize, the Invoice Approval Workflow.
- Enable the Use Invoice Approval Workflow Payables option.
- Each invoice meets all selection criteria.
- In the Submit Requests window your system administrator should schedule the Workflow Agent Listener to run regularly.

## Invoice Approval Workflow Program Parameters



### Invoice Approval Workflow Program Parameters

The graphic describes Invoice Approval Workflow Parameters.

You select parameters only when you submit from the Submit Requests window. When you submit from the Invoice Actions window, there are no parameters.

**Trading Partner:** If you want to process invoices for a specific supplier, then enter the trading partner (supplier name). If you do not enter a supplier name, then the program will process eligible invoices for all suppliers.

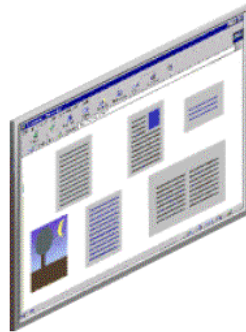
**Invoice Number:** If you want to process a single invoice, then enter the invoice number. If you do not enter an invoice number, then the program will process all eligible invoices.

**From/To Invoice Date:** If you want the Invoice Approval Workflow to process only invoices with invoice dates in a specified date range, then enter the date range.



### Invoice Approval History

You use the Invoice Approval History window to review the approval progress of any invoice that has started or completed the Invoice Approval Workflow process.



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### Invoice Approval History

(N) Invoices > Inquiry > Invoices

This window shows you all the approvers for an invoice in the order that the workflow requests approval from them. You can see who has reviewed the invoice, whether the approver approved or rejected it, the response date, what the invoice amount was when the approver reviewed it, and any comments the approver entered. You also see who the pending approver is and who the planned approvers are. If an invoice is force approved, then you see the username of the person who approved the invoice.

Invoice Approval History Window Reference

- **Action Date:** Date that the approval action occurred. For example, the date an approver rejected the invoice.
- **Action:** The window shows the action associated with each approver.
  - **Approved:** The invoice was approved by this approver.
  - **Rejected:** The invoice was rejected by this approver.
  - **Pending:** The invoice is in this approver's queue.
  - **Future:** The invoice is not yet in the approval queue of the approver.

- **Manually Approved:** An accounts payable processor manually approved the invoice by using the Force Approval feature.
- **Approver:** Name of the approver who is assigned to perform an action in response to a request for approval notification or escalation notification. You set up approvers in Oracle Approvals Management (OAM). If an invoice was force approved, this field shows the username of the accounts payable processor who force approved the invoice.
- **Amount Approved:** Invoice total at the time of approval or rejection. This field serves as an audit trail because the invoice amount can change between approvers.
- **Comment:** As an invoice goes through the Invoice Approval Workflow process, the approver can enter comments about the approved or rejected invoice. If the invoice is force approved then this field is blank.

### Holds and Releases

- **System holds**
- **Manual holds**
  - Supplier hold
  - Invoice hold
  - Scheduled payment hold



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### Holds and Releases

Holds can be placed by the system and some holds can be placed manually. Holds prevent payment and, sometimes, accounting of an invoice. Payables applies holds to invoices that fail the Invoice Validation process.

Release holds from invoices to allow payment and accounting entry creation for the invoices.

If you manually release all holds from an invoice it is not necessary for you to resubmit Invoice Validation before you can pay or create accounting entries for it. Invoice Validation will not place an invoice on the same type of hold that you manually released. You must manually release all holds that you apply manually.

Payables integrates with Oracle Workflow to provide a resolution of user releasable holds through workflow. Holds resolution workflow is initiated during Invoice Validation.

Payables provides some generic invoice holds for you to use, and you can define your own, based on your invoice validation needs. You can also prevent payment of supplier invoices by placing a hold on the supplier rather than on each individual invoice.

#### **System Holds**

All holds other than user-defined holds are system holds. An example of a system hold is the Distribution Variance hold. This hold is placed by Invoice Validation if the total of the invoice distributions do not equal the invoice amount. In order to remove this system hold, you must

fix the problem that caused the hold to be placed and resubmit Invoice Validation. Some system holds (matching holds for example) can be manually released.

During Invoice Validation, Payables automatically releases system holds (anything other than the user defined holds you define) from invoices with corrected exception conditions. For example, you fix a distribution variance on an invoice, resubmit Invoice Validation and Payables automatically releases the Distribution Variance hold. Payables applies some holds that you cannot release. You can use the Invoice Holds window to view invoices with these holds, but you cannot manually release these holds. You must correct the exception that caused Invoice Validation to place the hold on the invoice, then resubmit Invoice Validation to release the holds. You can correct exceptions by updating the invoice or the purchase order or by changing your invoice tolerances.

### **Manual Holds**

You can prevent payment and, optionally, prevent accounting for an invoice by manually applying one or more holds to it. Payables provides some generic invoice holds for you but you can define your own holds based on your invoice validation needs. Payables does not automatically release holds that you apply to invoices manually. You'll need to manually release those.

### **Supplier Holds**

In the Suppliers: Invoice Management page, you can enable the Hold All Payments, Invoice Amount Limit, Hold Unvalidated Invoices, or Hold Unmatched Invoices options for supplier sites. You also have the option of specifying an Invoice Amount Limit for a supplier site.

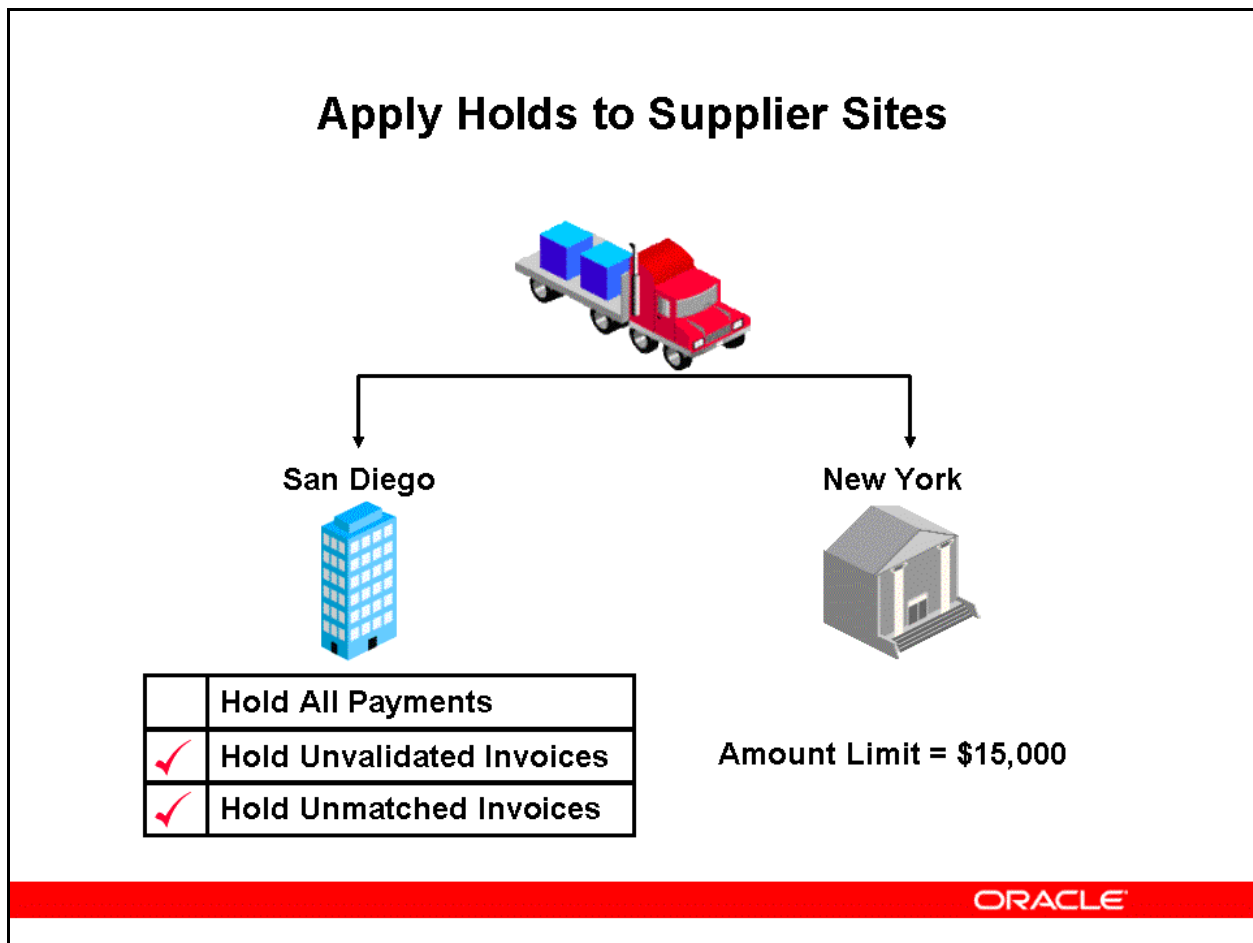
You can also specify holds at the Supplier level, but Payables only uses these values to provide defaults for new supplier sites that you enter.

**Important:** The Holds field of the Invoices window displays only invoice holds and does not reflect holds you apply in the Scheduled Payments tab or in the Suppliers: Invoice Management page. For example, if the Hold All Payments option is enabled in the Suppliers: Invoice Management page and there are no invoice holds on an invoice, the Invoice Summary Holds field will display zero. However, you can review all holds for invoices by submitting the Invoice on Hold report.

### **APPLYING HOLDS RESTRICTIONS:**

You cannot apply holds to an invoice you have selected for payment in a payment run.

## Apply Holds to Supplier Sites



### Apply Holds to Supplier Sites

The graphic describes applying holds to Supplier Sites.

(N) Suppliers > Entry

In the Suppliers: Invoice Management page, you can enable the Hold All Payments, Hold Unvalidated Invoices, or Hold Unmatched Invoices options. You also have the option of specifying an invoice amount limit for a supplier site. The control is at the site level. Changing these options at the supplier level will only change defaults for new supplier sites that are added after the changes are made. Payables provides a warning message during invoice entry when a supplier site hold is in effect.

#### Hold All Payments

This is the most restrictive supplier site hold. By checking Hold All Payments in the Control region of the Supplier Site window, you prevent the supplier site from being selected for payment during a payment run or for a Quick payment. You cannot pay invoices for the supplier site until you uncheck the Hold All Payments option at the supplier site.

#### Hold Unvalidated Invoices

By checking this option for a site, Payables automatically applies a supplier hold to all new invoices entered for that site. Payables applies this hold during Invoice Validation. You will still be able to pay invoices that have previously been entered and validated for the supplier site.

You can manually release the hold in the Holds tab of the Invoices window. Uncheck this option when you no longer want to hold unvalidated invoices for a supplier site.

### **Hold Unmatched Invoices**

By checking this for a site, if you do not match an invoice to a purchase order or purchase order receipt. Payables places a Matching Required hold on the invoice during Invoice Validation. You cannot pay the invoice until you release the hold. You can release this hold by matching the invoice to a purchase order or purchase order receipt, or you can manually release the hold in the Holds tab of the Invoices window.

### **Invoice Amount Limit**

If you enter an invoice for a supplier site that exceeds the invoice amount limit you specify, Payables applies an Amount hold to the invoice during Invoice Validation. You cannot pay the invoice until you release the hold. You can release the hold by adjusting the invoice amount, or you can manually release the hold in the Holds tab of the Invoices window.

### **Note**

- If the Hold All Payments option is enabled at the supplier site, the Hold field in the Invoices window does not reflect this because the hold is a supplier hold, not an invoice hold. However, you can review all holds for invoices by submitting the Invoice on Hold report.
- If you select the Hold All Payments option at the supplier level, this will not prevent payments to any supplier pay site. It will simply change the default value for new supplier sites.

## Apply Holds to Invoices

### Apply Holds to Invoices

Hold Types	Predefined	User Definable	Manually Releasable
Acct Hold Reason	✓		No
Funds Hold Reason	✓		Sometimes
Insufficient Information	✓		No
Invoice Hold Reason	✓	✓	Yes
Matching Hold Reason	✓		Sometimes
Period Hold Type	✓		No
PO Req Hold Reason	✓		No
Variance Hold Reason	✓		Sometimes

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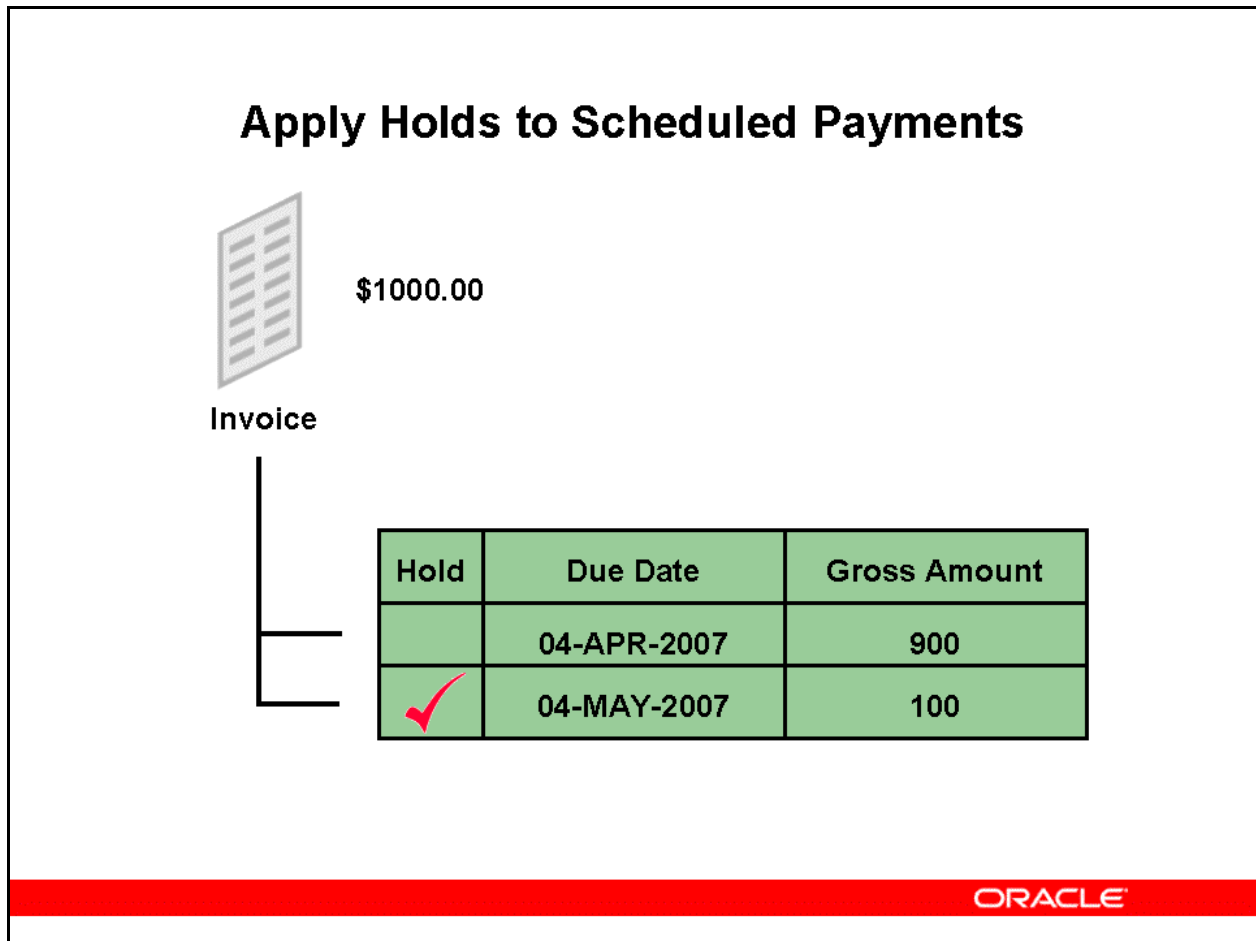
### Apply Holds to Invoices

The graphic describes applying holds to Invoices.

(N) Setup > Invoice > Hold and Release Names

You can manually apply one or more Invoice Hold Reasons ("holds") to an invoice using the Holds tab of the Invoices window. Use any of the default hold reasons or define your own.

## Apply Holds to Scheduled Payments



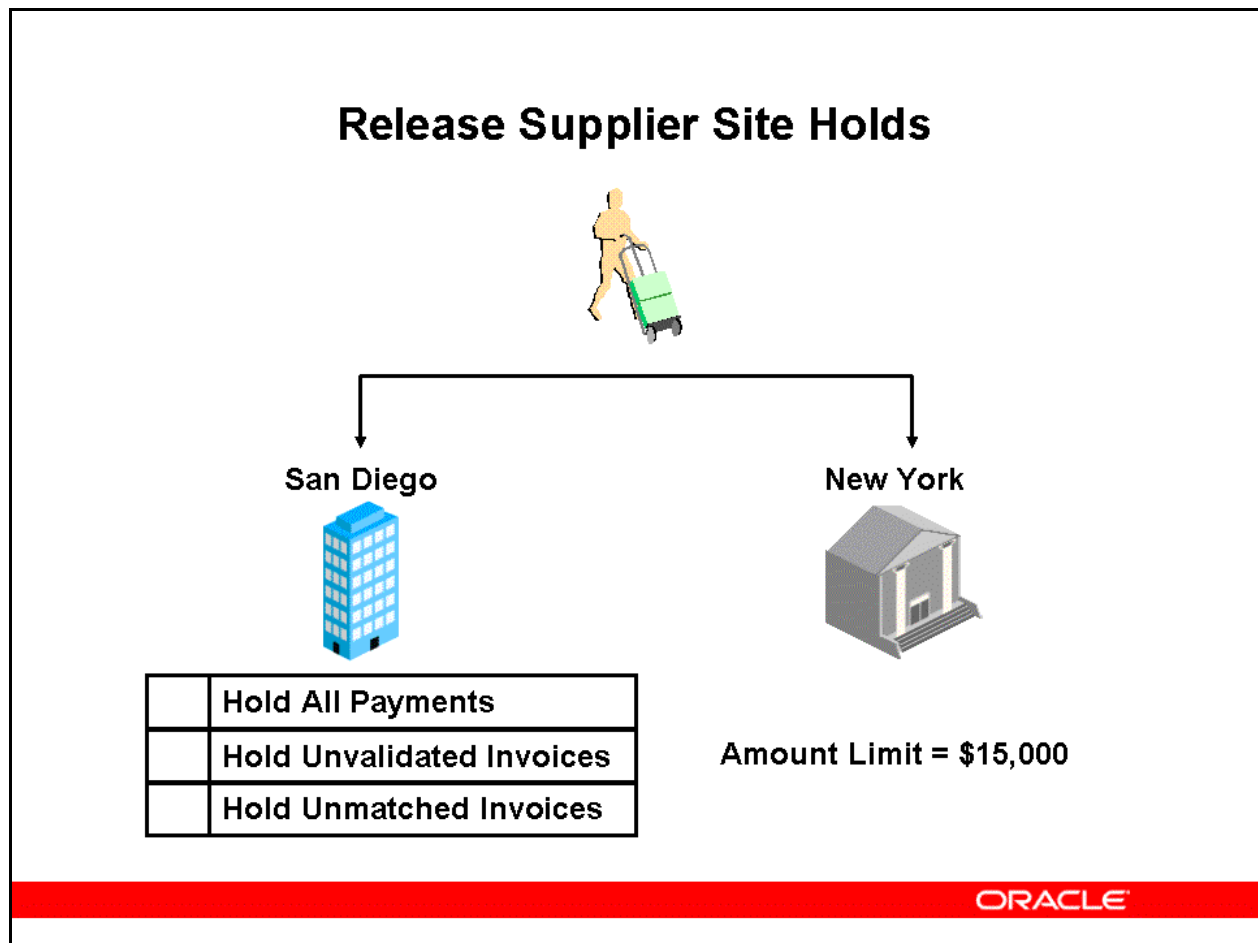
### Apply Holds to Scheduled Payments

The graphic describes applying holds to scheduled payments.

You can hold payment of part of an invoice by placing one or more of the scheduled payments on hold in the Scheduled Payments window. For example, to pay 90% of an invoice now and 10% of an invoice at a future date, enter the invoice and create a split payment schedule; one representing 90% of the invoice amount and the other representing 10% of the invoice amount. Enable the Hold check box for the payment schedule representing the 10%.



## Release Supplier Site Holds



### Release Supplier Site Holds

The graphic describes release supplier site holds.

Release the Hold All Payments control by unchecking the Hold All Payments option at the supplier site in the Suppliers: Invoice Management page. Holds resulting from the following supplier options must be released from the invoices in the Holds tab of the Invoices window:

- Hold Unvalidated Invoices option (Supplier site hold)
- Hold Unmatched Invoices option (Matching Required hold)
- Invoice Amount Limit (Amount hold)

## Release Invoice Holds

### Release Invoice Holds

Hold Release Types	Predefined	User Definable
Acct Release Reason	✓	
Funds Release Reason	✓	
Sufficient Information	✓	
Invoice Release Reason	✓	✓
Matching Release Reason	✓	✓
Period Release Type	✓	
Variance Release Reason	✓	✓
Hold Quick Release Reason	✓	✓
Invoice Quick Release Reason	✓	✓

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### Release Invoice Holds

The graphic lists release Invoice Holds.

Release holds from invoices to pay and create accounting for them. You can view the holds on an invoice in either the Invoice Overview or the Hold tab of the Invoices windows. You can see the number of holds on an invoice in the Invoices window. Identify invoices on hold with the Invoice on Hold Report and the Matching Hold Detail Report.

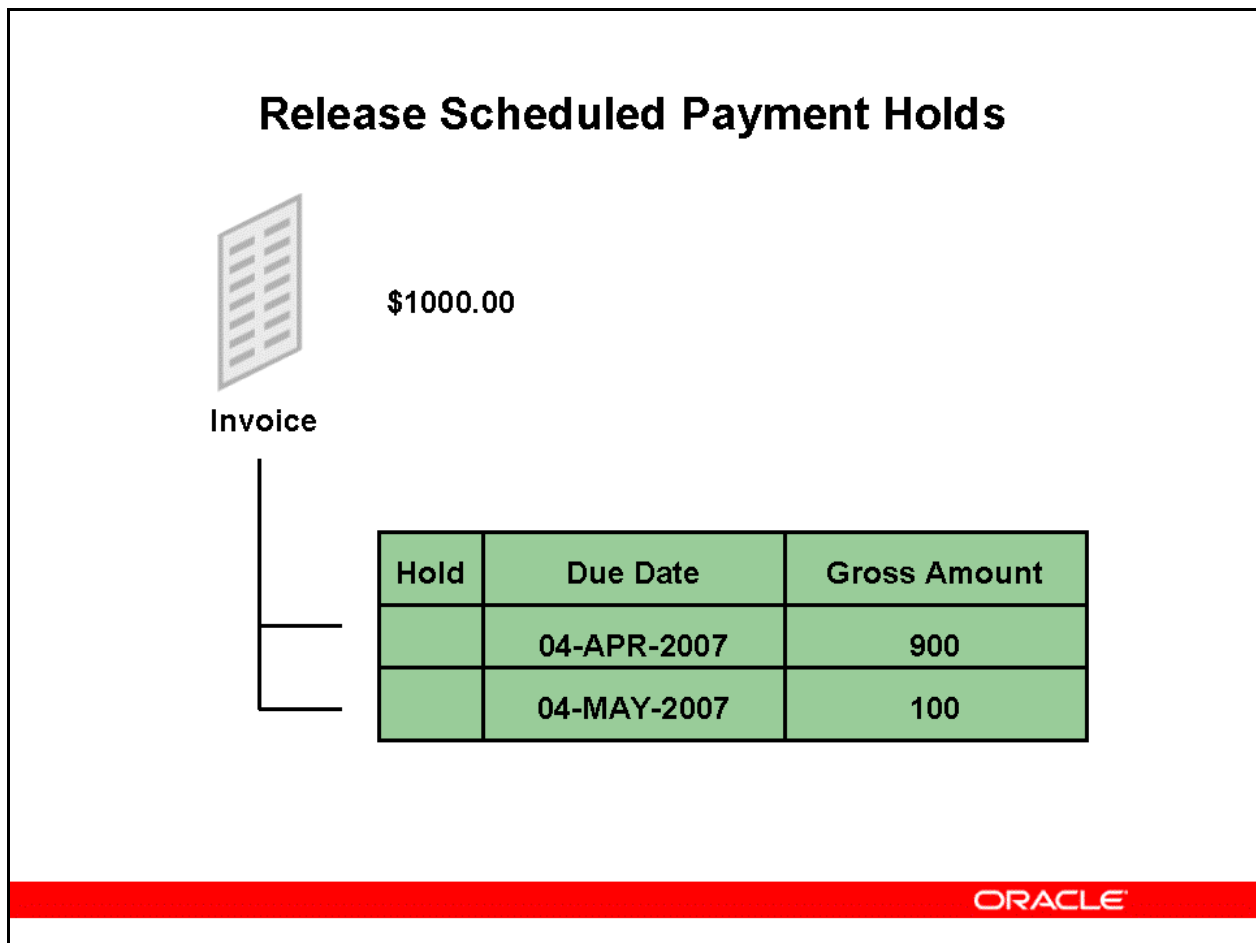
- To release holds from multiple invoices, select Release Holds in the Invoice Actions window and select the Hold Name of the one hold type you want to release. Select a Release Name. You can select from all invoice holds defined with the type Hold Quick Release Reason.
- You manually release all manually applied invoice holds, and you can also manually release certain system-applied invoice holds.
- After you release all holds from an invoice, it may not be necessary to resubmit Invoice Validation before you can pay or create accounting entries for it.

Payables applies some holds that you cannot release.

- You can use the Invoice Holds window to view these holds, but you cannot manually release them.

- You must correct the exception that caused Invoice Validation to place the hold on the invoice and then resubmit Invoice Validation to release these holds.
- You can correct exceptions by updating the invoice or the purchase order or by changing your invoice tolerances.

## Release Scheduled Payment Holds



### Release Scheduled Payment Holds

The graphic describes releasing holds to scheduled payments.

You can release a Scheduled Payment hold in the Scheduled Payments tab of the Invoices window by disabling the Hold check box.

### **Hold Resolution Workflow**

The Hold Resolution workflow allows you to release holds through workflow. As a part of the holds resolution, for non-purchase order matched invoices, it allows negotiation between the internal Payables clerk and the supplier. Releasing the holds on an invoice allows it to be eligible for validation and approval.

All holds are available as attributes in AME. You define conditions for the hold attributes that you are using workflow to resolve. Once your Conditions and Approver Groups are finalized, you can create your Approval Rules. You create an approval rule for your purchase order matched invoices and one for your unmatched invoices.

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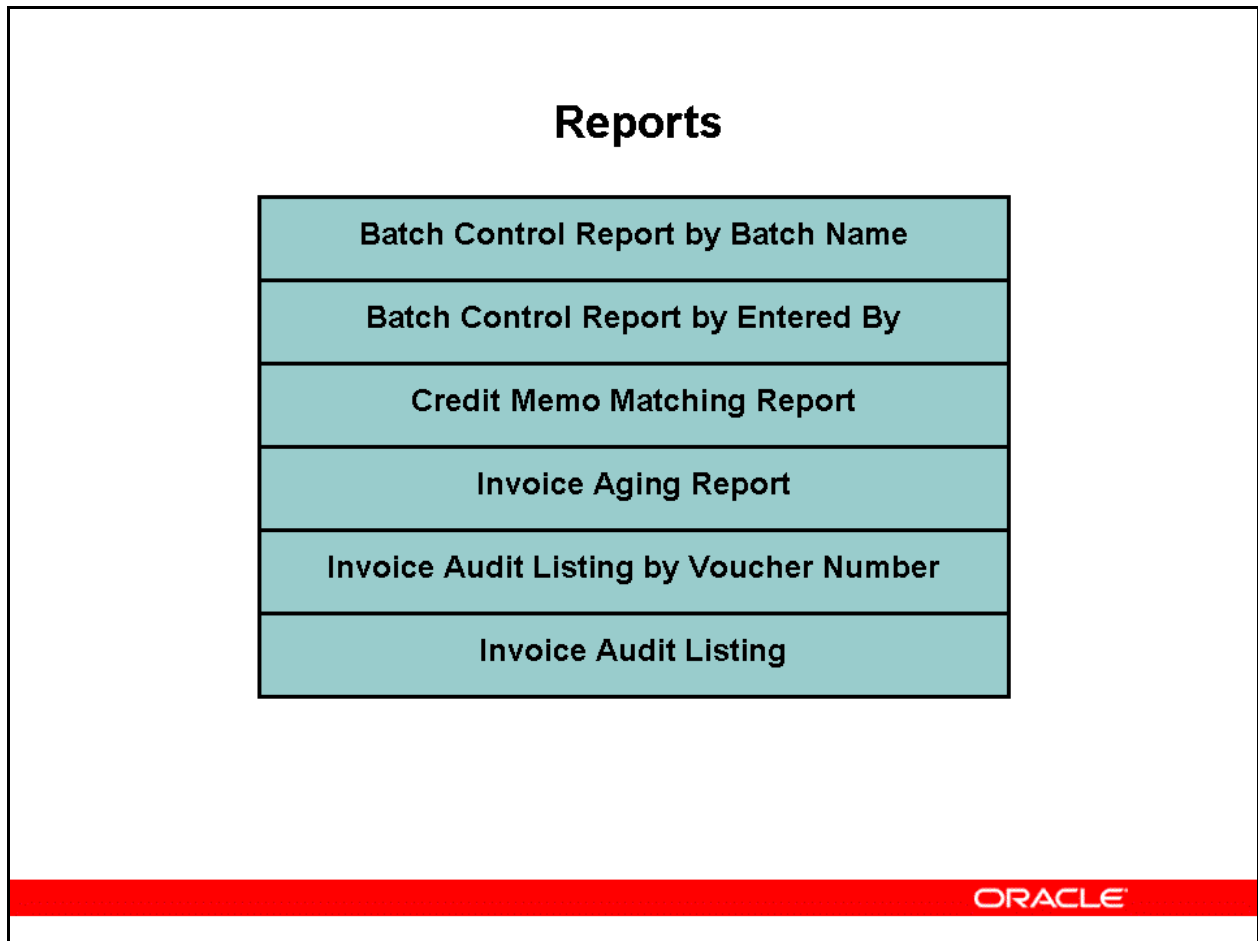
### **Hold Resolution Workflow**

The Hold Resolution workflow allows you to release holds through workflow. As a part of the holds resolution, for non-purchase order matched invoices, it allows negotiation between the internal Payables clerk and the supplier. Releasing the holds on an invoice allows it to be eligible for validation and approval.

All holds are available as attributes in AME. You define conditions for the hold attributes that you are using workflow to resolve. Once your Conditions and Approver Groups are finalized, you can create your Approval Rules. You create an approval rule for your purchase order matched invoices and one for your unmatched invoices.

## Reports

---



### Reports

The graphic describes reports.

#### **Batch Control Report by Batch Name**

Lists invoice batches in order of batch name and batch date. Also sorts by entry name.

#### **Batch Control Report by Entered By**

Lists invoice batches in order of entry person. Also sorts by batch name.

#### **Credit Memo Matching Report**

This report lists credit memos and debit memos that match the supplier and date parameters you specify. The report also lists the total of the distribution line amounts of each credit memo in your entered currency and your functional currency.

#### **Invoice Aging Report**

Use this report to view your unpaid invoices. This report provides information about invoice payments due within four time periods you specify in the Aging Periods window. This report does not include cancelled invoices.

#### **Invoice Audit Listing by Voucher Number**

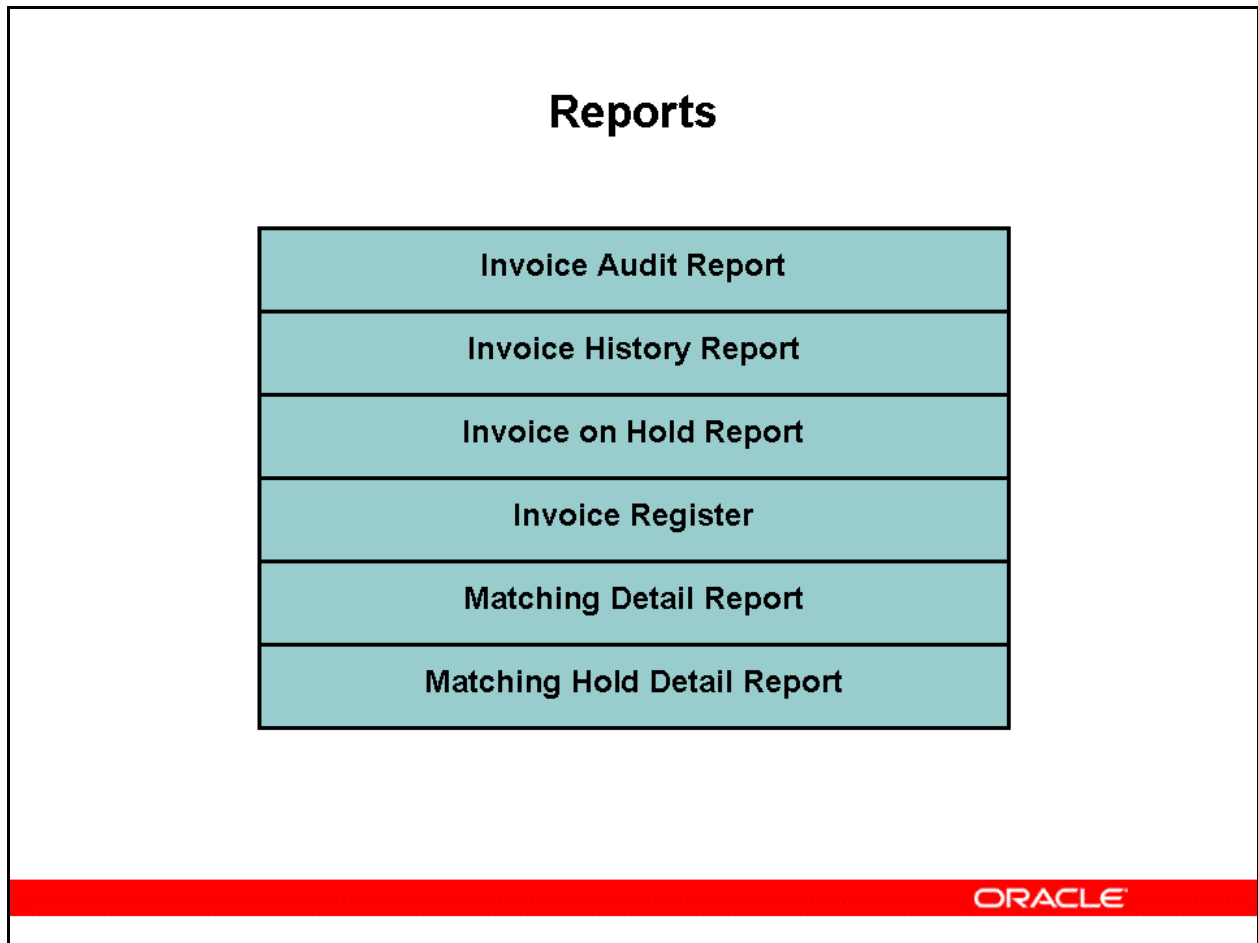
Use this report to review your invoices with assigned sequential voucher numbers. Either you or Payables can assign a unique, sequential number to an invoice during invoice entry, if you enable the Sequential Numbering profile option.

### **Invoice Audit Listing**

Use the Invoice Audit Listing to audit invoices for duplicates. You should audit invoices periodically to ensure control of invoice payments. You can sort this listing in six different ways. You can also use this report to obtain a listing of your invoices by invoice type.

## Reports

---



### Reports

The graphic describes reports.

#### **Invoice Audit Report**

Use the Invoice Audit Report to audit invoices for duplicates. The report lists invoices that appear as potential duplicates according to several criteria. One criterion you specify is the number of characters in the invoice number which two or more invoices have in common. The report lists invoices that meet this criterion and have the same invoice amount, the same invoice date, and the same supplier. You can limit the search by checking for duplicate invoices within a time period you specify. Payables sorts the report alphabetically by supplier name, and lists possible duplicates together on consecutive lines.

#### **Invoice History Report**

The Invoice History Report is needed to justify the balance for a given range of invoices. It helps you to quickly identify and review a detailed list of all activities pertaining to a specific invoice including all payments, gain/loss, credit/debit memos, and discounts. The balance of the invoices is then summed for each supplier site, for each supplier, and for the entire report.

#### **Invoice on Hold Report**

Use the Invoice on Hold Report to review detailed information about invoices on hold. You can submit the Invoice Validation process before submitting this report to obtain the most up-to-



date hold information. To obtain additional detail for invoices on matching hold, you can submit the Matching Hold Detail Report.

### **Invoice Register**

Use the Invoice Register to review detailed information about invoices. You can also use this report to view the offsetting liability accounts that Payables creates for each invoice distribution when you validate an invoice. Payables orders the report by invoice currency and, if you use batch control, the invoice batch name then by supplier name and invoice number.

### **Matching Detail Report**

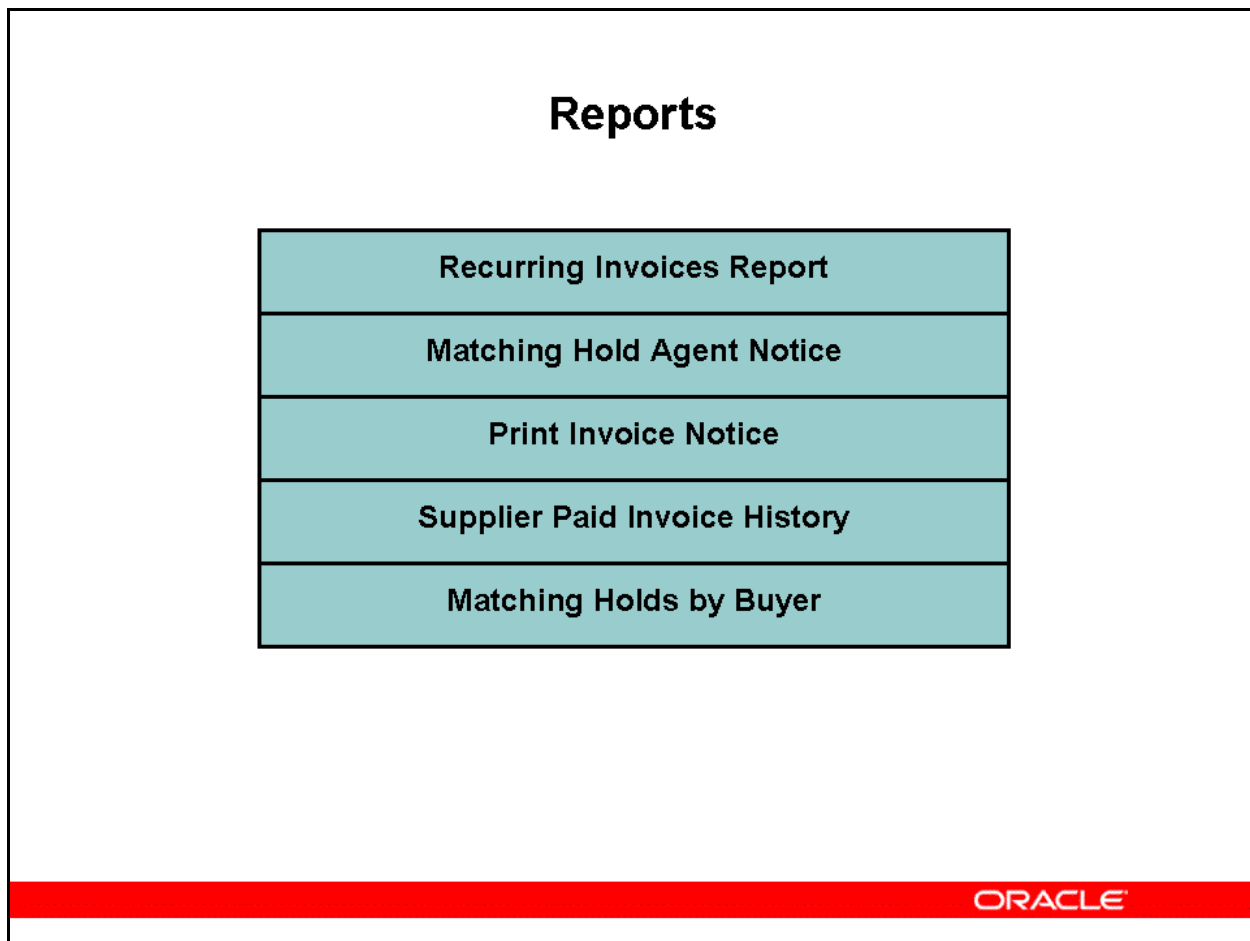
Use this report to see the detail of how an invoice, purchase order, or receipt was matched. This report is especially helpful when an invoice is on hold and you are trying determine why the hold was placed.

### **Matching Hold Detail Report**

Use the Matching Hold Detail Report to review detailed accounts payable and purchasing information for invoices with matching holds and matching hold releases. You can print this report before initiating a payment run to determine whether to manually release any invoices for payment.

## Reports

---



### Reports

The graphic describes reports.

#### **Recurring Invoices Report**

Use this report to review recurring invoice templates you defined during a specific time period. You can review this report to determine the amount you have authorized for a recurring invoice template, how much you have released, and the next amount you have scheduled.

#### **Matching Hold Agent Notice**

Use the Matching Hold Agent Notice to print a notice informing a purchasing agent of any matching holds due to a variance between an invoice and the agent's purchase order. When you submit this report, Payables prints a notice to each purchasing agent who has issued a purchase order that has a variance with its matched invoice.

#### **Print Invoice Notice**

Generate a standard invoice notice to send to a supplier to inform them about one or more invoices you have entered. For credit/debit memos, the notice informs the supplier of outstanding credit or debit memos that you will apply to future invoices. You can generate this report from either the Invoices window or the Submit Requests window. You can use Reports to change the boilerplate text.

#### **Supplier Paid Invoice History**

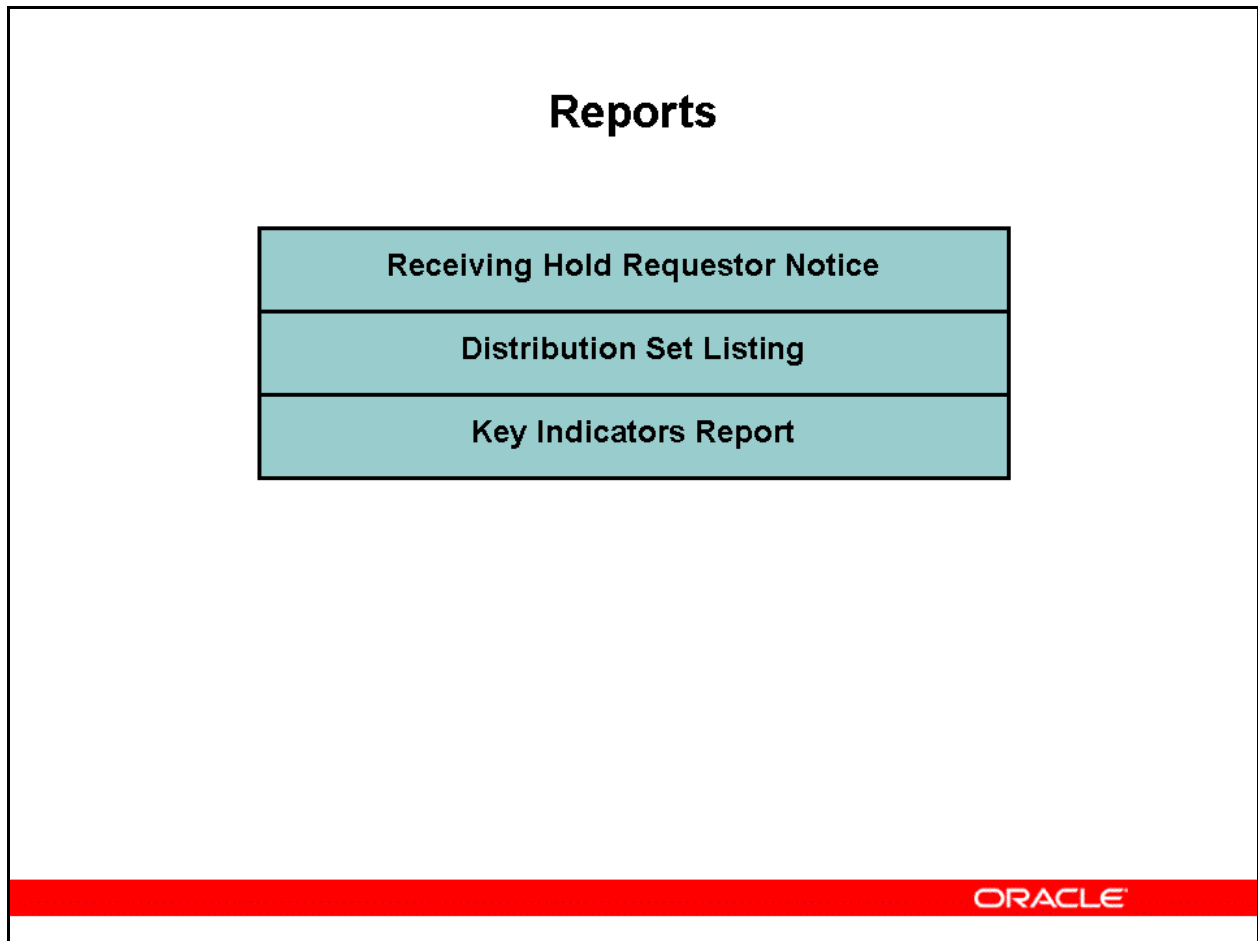
You can submit the Supplier Paid Invoice History Report by supplier or supplier type to review payment history, discounts taken, and frequency of partial payments.

**Matching Holds by Buyer**

View matching holds placed on invoices by buyer associated with the purchase order.

## Reports

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### Reports

The graphic describes reports.

#### **Receiving Hold Requestor Notice**

Use the Receiving Hold Requestor Notice to print a notice informing a requestor of an invoice hold because the requestor has not acknowledged the receipt of invoiced items.

#### **Distribution Set Listing**

Use the Distribution Set Listing to review a complete list of all the Distribution Sets you have defined. Distribution Sets simplify and speed invoice entry by automatically generating invoice distributions for invoices that have assigned Distribution Sets.

#### **Key Indicators Report**

Submit the Key Indicators Report, to review the current number of suppliers, invoices, payments and matching holds in your Payables system. You must define a special calendar using the Payables Special Calendar window to use this report.

- Key Indicators Current Activity Report - compares Payables activity during the period you specify, and the previous period.
- Key Indicators State-of-the-System Report - a snapshot of Payables at the end of the Key Indicator period for which you are reporting.

### Setup Options

- Payables System Setup Options
- Payables Options
- Purchasing Options
- Profile Options

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### Setup Options

## Payables System Setup Options

Payables System Setup Options		
<b>Payables System</b>		
<b>Invoice Match Option</b>	<b>Terms Date Basis</b>	
<b>Hold Unmatched Invoices</b>	<b>Pay Date Basis</b>	
<b>Invoice Currency</b>	<b>Payment Terms</b>	
<b>Pay Group</b>	<b>Always Take Discount</b>	
	<b>Create Interest Invoices</b>	

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### Payables System Setup Options

The graphic describes Payables System Setup options.

(N) Setup > Options > Payables System Setup

Use the following options to define supplier-related invoice and payment default values.

**Invoice Match Option:** Select Purchase Order or Receipts to indicate how you want to match most invoices. Defaulting is in the following order, but can be overridden at any level: Payables System Setup > supplier > supplier site > purchase order shipment. The value at the purchase order shipment controls which purchasing document type that you can match to an invoice.

**Hold Unmatched Invoices:** If you enable this option for a supplier site, Payables applies a Matching Required hold to an invoice if it has Item type distributions that are not matched to either a purchase order or receipt. Payables applies the hold during Invoice Validation. You cannot pay the invoice until you release the hold. You can release this hold by matching the invoice to either a purchase order or receipt, and resubmitting Invoice Validation. You can manually release the hold in the Holds tab of the Invoice Workbench or through Workflow. Payables does not apply a hold if the sum of the invoice distributions by accounting code combination is zero. Payables does not apply this hold to Prepayment or Interest invoices.

**Invoice Currency:** Select the currency to use as a default for new suppliers that you enter.

**Pay Group:** Select the pay group to use as a default for new suppliers that you enter.

**Terms Date Basis:** Select the date that Payables uses as the payment terms start date when Payables calculates the due and discount dates for invoice scheduled payments. This value defaults to new suppliers that you enter. Options include:

- **System:** Current date of your Payables system.
- **Goods Received:** Date you receive goods for invoices you match to purchase orders.
- **Invoice:** Invoice date.
- **Invoice Received:** Date you receive an invoice.

**Pay Date Basis:** Select the date that Payables uses to select invoices for payment. Options include:

- **Discount:** Payables uses the scheduled payment discount date.
- **Due:** Payables uses the scheduled payment due date, regardless of any available discounts.

**Payment Terms:** Select the terms that Payables uses to schedule payments for an invoice. This value defaults to new suppliers that you enter.

**Always Take Discount:** Enable this option to have Payables always take an available discount for a supplier, regardless of when you pay the invoice. Your selection defaults to new suppliers that you enter.

**Create Interest Invoices:** Enable this option to have Payables calculate interest for the supplier's overdue invoices and create corresponding interest invoices when you pay the overdue invoices. Your selection defaults to new suppliers that you enter.

## Payables Options

The screenshot shows the 'Payables Options' window with the 'Invoice' tab selected. The window is divided into three vertical panes. The rightmost pane contains the text 'Allow Force Approval' and 'Require Validation Before Approval'. The bottom of the window has a red bar with the 'ORACLE' logo.

### Payables Options

The graphic describes Payables options.

(N) Setup > Options > Payables Options

**Allow Force Approval:** Enable this option if you use the Invoice Approval Workflow Program and want to allow accounts payable processors to override the workflow and manually approve invoices by using the Force Approval option in the Invoice Actions window. You might want to force approve an invoice if the Invoice Approval Workflow does not complete for an invoice, or if you have authority to pay an invoice without using the workflow process.

**Require Validation Before Approval:** If you enable this option, then Invoice Approval Workflow does not select any invoice for processing unless the invoice status is Validated. You might want to enable this option if you need the Invoice Validation process to create tax distributions for an invoice before approvers review it.



## Payables Options

Payables Options		
		Invoice
		Use Invoice Approval Workflow
		Allow Online Validation
		Receipt Acceptance Days

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### Payables Options (continued)

The graphic describes Payables options.

(N) Setup > Options > Payables Options : (T) Invoice

**Use Invoice Approval workflow:** Enable this option if you want to use the Invoice Approval Workflow feature to automate your invoice approval process. The workflow determines if an invoice needs any individuals to approve payment of the invoice, and if so, automatically routes the invoice to designated approvers who then approve or reject the invoice. When you enable this option, almost all invoices must be processed by the Invoice Approval Workflow.

**Allow Online Validation:** Enable this option if you want to allow users to select Invoice Validation from the Invoice Actions window or choose the Validate button in the Invoice Batches window.

**Receipt Acceptance Days:** If you create interest invoices for late payment, enter the number of days in your receipt acceptance period. If you enable the Recalculate Scheduled Payment Payables option, Invoice Validation recalculates your invoice due date based on this value.

## Payables Options

Payables Options		
		Invoice
		<b>Confirm Date as Invoice Number</b>
		<b>Allow Adjustments to Paid Invoices</b>
		<b>Recalculate Scheduled Payment</b>

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### Payables Options (continued)

The graphic describes Payables options.

(N) Setup > Options > Payables Options: (T) Invoice

**Confirm Date as Invoice Number:** If you enable this option, then during invoice entry when you accept the invoice date as the default for invoice number, Payables displays a pop-up window that reads, "Use the Invoice Date as the Invoice number?"

**Allow Adjustments to Paid Invoices:** Enable this option if you want to allow users to update the distributions of a paid invoice. If you enable this option you can also reverse a match to a purchase order document and then match to another purchase order document that is not final matched. Enable this option if you are using Projects. Paid invoice distributions are frequently reclassified from project to project or within a project from task to task.

**Recalculate Scheduled Payment:** Payables calculates scheduled payments using a start date and payment terms. For example, if the start date is 01-JAN-10 and the payment terms are Net 30, the invoice will be payable in full on 30-JAN-10. During invoice entry, Payables automatically calculates scheduled payments for invoices using the invoice Payment Terms, and the invoice Terms Date as the start date.

If you enable the Recalculate Scheduled Payment Payables option, Payables automatically recalculates scheduled payments of invoices during Invoice Validation. During recalculation,

Payables uses the most recent of the available start date options and the most favorable of the available payment terms options so you can optimize your cash flow. Payables determines which Payment Terms are more favorable by comparing the rank you assigned to the terms in the Payment Terms window.

## Payables Options

Payables Options		
		Invoice
		<b>Allow Document Category Override</b>
		<b>Freight Account</b>
		<b>GL Date Basis</b>
		<b>Prepayment Settlement Days</b>
		<b>Prepayment Payment Terms</b>

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### Payables Options (continued)

The graphic describes Payables options.

(N) Setup > Options > Payables Options : (T) Invoice

**Allow Document Category Override:** Enable this option if you want to allow users to override the default Document Category assigned to an invoice by Payables.

**Freight Account:** Payables uses this account as the default freight account for an invoice. You can override this account during invoice entry.

**GL Date Basis:** The date you want Payables to use as the default accounting date for invoices during invoice entry.

- Invoice Date
- System Date
- Goods Received Date

**Prepayment Settlement Days:** Number of days you want Payables to add to the system date to calculate a default settlement date for a prepayment. Payables prevents you from applying the prepayment to an invoice until on or after the settlement date.

**Prepayment Payment Terms:** Default payment terms that you want to use for all prepayments. For example, you may want to have immediate payment terms for all

prepayment type invoices. Note that this value does not exist at the supplier or supplier site level; the value you enter here defaults to all prepayment invoices.

## Payables Options

Payables Options		
Interest		Matching
Allow Interest Invoices		Allow Final Matching Allow Distribution Level Matching Allow Matching Account Override Transfer PO Descriptive Flexfield Information

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### Payables Options (continued)

The graphic describes Payables options.

(N) Setup > Options > Payables Options : (T) Matching

**Allow Final Matching:** Enable this option to allow final matching of purchase order matched invoices. You can indicate a final match when you match an invoice to a purchase order during invoice entry or when you adjust a matched invoice distribution. You cannot final match when you match invoices to receipts. If you final match to a purchase order, subsequent invoices matched to the purchase order will be placed on hold during Invoice Validation. You cannot manually release a final match hold.

**Allow Distribution Level Matching:** Enable this option if you want to allow matching to purchase order distributions. If you enable this option, you can match an invoice to one or more purchase order distributions. If you do not enable this option, Payables allows you to match an invoice only to a purchase order shipment.

**Allow Matching Account Override:** Enable this option if you want to allow overriding of the invoice distribution account created from matching to a purchase order. You can override the account for a matched invoice distribution in the Distributions window of the Invoice Workbench, or on any imported invoices. You cannot override the account for a matched invoice distribution if you use encumbrance accounting, or perpetual receipt accrual. In addition, you cannot override the account if the purchase order is projects related and the item

destination for the purchase order distribution is Inventory. If you match to an item you are receiving into inventory, the accrual account is used for the invoice distribution. The receipt debits the accrual account and the invoice distribution credits the accrual account. If you change this account, reconciliation could be more difficult.

**Note:** Be careful using this option!

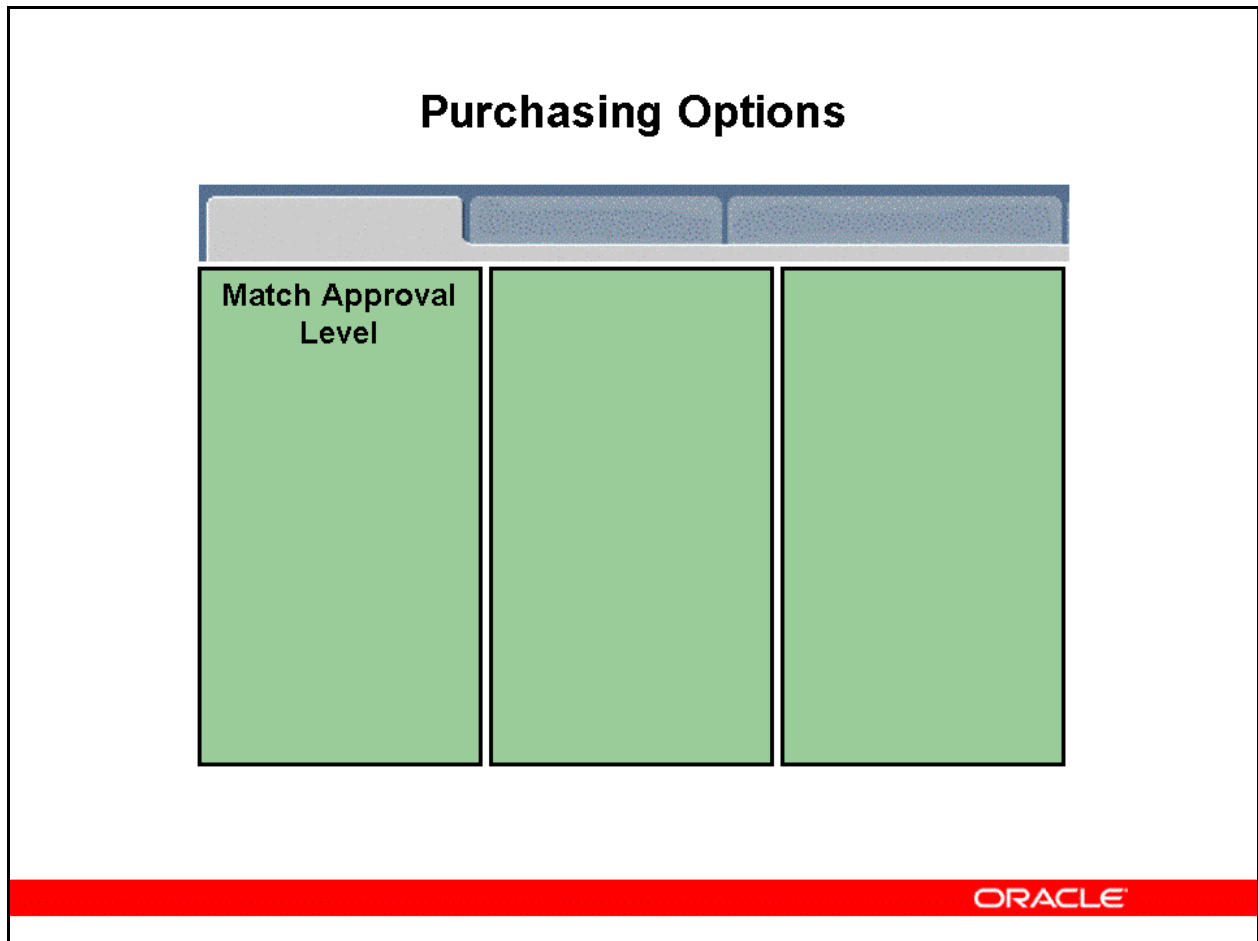
**Transfer PO Descriptive Flexfield Information:** Enable this option if you want Payables to automatically transfer the descriptive flexfield information from the purchase order distribution to the invoice distribution when you match an invoice to a purchase order. If you enable this option, you must define the descriptive flexfield structure the same way for the purchase order and invoice distributions forms.

(N) Setup > Options > Payables Options : (T) Interest

Use this region to enable Automatic Interest Calculation and then enter defaults, such as expense and liability accounts, for the interest invoices Payables creates automatically when you pay overdue invoices.

**Allow Interest Invoices:** Enable this option if you want to allow Payables to calculate interest for overdue invoices and create interest invoices for selected suppliers. Payables automatically creates interest invoices when you pay overdue invoices in a payment run or with a Quick payment. If you pay an overdue invoice using a manual payment, Payables warns you that interest is due on the invoice and you should pay the invoice in a payment run or with a Quick payment.

## Purchasing Options



### Purchasing Options

The graphic describes Purchasing options.

Purchasing Responsibility

(N) Setup > Organizations > Purchasing Options

#### Match Approval Level.

- **2-Way** (Invoice to Purchase Order) - quantity billed vs. quantity ordered on shipment line and invoice unit price vs. purchase order line price
- **3-Way** (Invoice to Purchase Order and Receipt) - 2-Way match criteria AND quantity billed vs. quantity received
- **4-Way** (Invoice to Purchase Order and Receipt and Inspection) - 3-Way match criteria AND quantity billed vs. quantity accepted

**Note:** Quantity accepted = (quantity received - quantity rejected)



## Profile Options

Profile Options	
PO: ERS Aging Period	
PO: ERS Invoice Number Prefix	
AP: Use Invoice Batch Controls	
AP: Notification Recipient e-Mail	

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### Profile Options

The graphic describes Profile options.

System Administrator Responsibility

(N) Profile > System

**PO: ERS Aging Period.** The value in this profile option indicates the number of days between the receipt date and the Payment on Receipt automatic invoice creation date. For example, a value of 2 means that Payment on Receipt creates invoices only for receipts that are 2 or more days old. Any corrections or returns you make against a receipt during that 2-day period are included on the Payment on Receipt invoice.

**PO: ERS Invoice Number Prefix.** "ERS-" is the prefix that appears before all invoices that you create automatically using Pay on Receipt (although it is called Pay on Receipt, the Pay on Receipt functionality automates the creation of invoices). This profile option allows you to change this prefix. For example, shortening this prefix allows extra spaces for longer packing slip or receipt numbers.

**AP: Use Invoice Batch Controls.** Enable this option to enable use of the Invoice Batches window, which you can use to specify batch defaults that help speed and control invoice entry in the Invoice Workbench. Enabling this option also allows you to specify an invoice batch

name to a group of invoice records when you submit Payables Open Interface Import. When this option is enabled, you cannot enter invoices directly in the Invoices window.

**AP: Notification Recipient e-Mail.** Specify the full e-mail address of the person who will receive notifications from the Concurrent Request Notification program when all the requests in the request set are submitted.

### **Additional Implementation Considerations**

#### **Tips to speed up data entry**

- Use Folder Tools
- Use Quick Invoices
- Use Account Aliases
- Use Keyboard Shortcuts
- Use Pay on Receipt
- Use Procurement Cards
- Use Distribution Sets
- Use Recurring Invoices
- Set Up Default Values (System and Supplier Site)

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### Additional Implementation Considerations

- Invoice conversion
- Data mapping
- Data cleanup
- Report mapping
- Training and cutover

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### Additional Implementation Considerations

#### Invoice conversion

- Determine if there is a business need to convert invoices. If possible, establish a cutoff date after which invoices will be entered into Payables. If invoices must be converted convert only unpaid invoices. It is common in some industries to retain a portion of the invoice to be paid at a later time. If these invoices are associated with a long term project you may have to make tough decisions about how to handle the invoices. Only convert partially paid and fully paid invoices if absolutely necessary.
- If you choose to convert invoices, how will existing invoices be converted: automated conversion, manual data entry, or both?
- Use Payables Invoice Open Interface to convert unpaid invoices and credit memos if necessary. It is expensive to convert partially paid and fully paid invoices as no open interface exists to support those types of data conversion.
- What are the metrics that will be used to determine if data conversion was successful? What reports will be necessary to validate the data conversion?

#### Data mapping

- How will your data mapping be done?
- What data in legacy systems will determine values in Payables tables?

- How will additional fields be derived and loaded?
- Will any additional descriptive flexfields need to be set up?

**Data cleanup**

- Will expired quotations be converted?

**Report Mapping**

- Do Oracle standard reports meet your reporting requirements?
- Who will perform report mapping?

**Training and cutover**

- How will end-user training be conducted? Who will conduct the training? What type of training would be most appropriate, instructor led training (ILT), one-on-one, instructor led online (ILO), online, Tutor?

### Summary

You should now be able to do the following:

- Import/Enter invoices and invoice distributions
- Match to purchase orders
- Validate invoices
- Apply and release holds
- Understand invoice approval workflow
- Identify key standard reports
- Understand setup options
- Understand additional implementation considerations

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## Quiz

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### Quiz

You can manually enter supplier invoices in either the Invoice Workbench or the Quick Invoices window. You can match to purchase orders when entering these invoices. True

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-7.

## Quiz

---

### Quiz

Oracle Payables supports the following types of adjustment invoices:

1. PO Price Adjustment Invoice
2. Adjustment Invoice
3. Item Adjustment Invoice

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**Answers: 1, 2**

#### Quiz Specifications

- The Quiz question should be polled after the Slide 4-9.



## Quiz

---

### Quiz

The Invoice Workbench is a group of windows that you can use to enter complex invoices or invoices that require online validation and defaulting.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-15.

## Quiz

---

### Quiz

The following are the invoice payment methods:

1. Check
2. Clearing
3. Electronic
4. Wire
5. None of the Above

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**Answers: 1, 2, 3, 4**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-17.

## Quiz

---

### Quiz

Distribution Set lets you automatically enter distributions for an invoice when they are not matched to a purchase order.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-21.

## Quiz

---

### Quiz

You can match invoices to purchase orders to ensure that you pay only for the goods that you have ordered, or you can match to purchase order receipts to ensure that you pay only for goods that you have received.:

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-29.

## Quiz

---

### Quiz

Matching to receipts allows you to pay only for goods you receive

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-34.

## Quiz

---

### Quiz

During matching, select the Final Match option to indicate that no more invoices should be matched to the purchase order.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 4-38.

# Payments

## Chapter 5







## Objectives

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### Objectives

After completing this module, you should be able to do the following:

- Describe the payment process
- Set up banks and bank accounts
- Enter single payments
- Process multiple payments
- Review and adjust payments
- Set up and create bills payable
- Create, apply, and release holds on prepayments

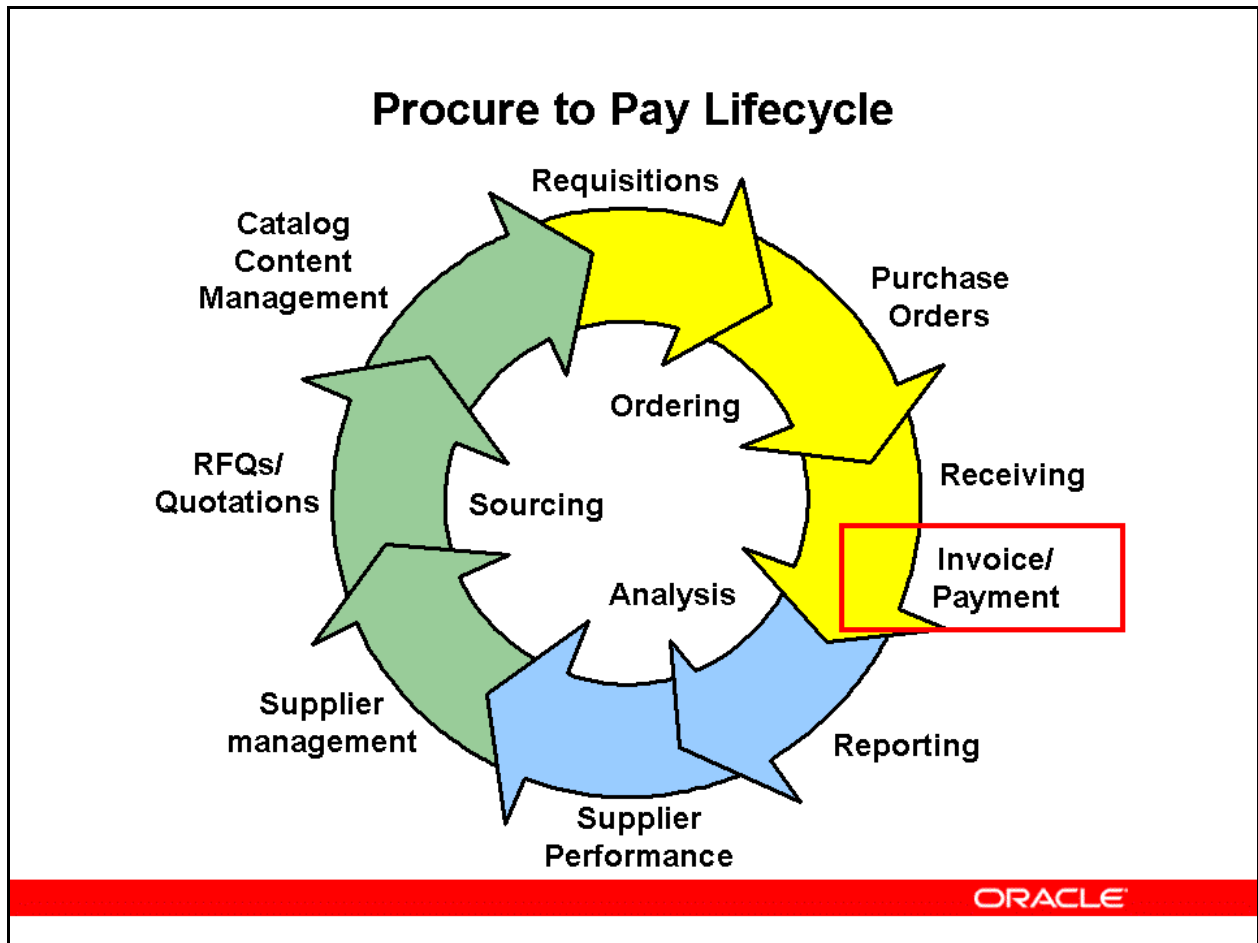
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### **Objectives**

- Reconcile payments with Oracle Cash Management
- Use key standard reports
- Understand key setup options
- Understand additional implementation considerations

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## Procure to Pay Lifecycle



Procure to Pay Lifecycle

### Setting Up Payments

You must setup the following Payments functionality:

- Payment Function Access
- Function Security

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### Setting Up Payments

#### Setting Up Payment Function Access

A payment function is an attribute on a document payable that indicates the purpose of payment. Examples of payment functions include supplier payments, employee expense payments, and loan payments.

#### Setting Up Function Security

Oracle Payments enables you to perform a variety of sensitive tasks. You can use function security to allow users to perform or disallow them from performing the following tasks:

- update Oracle Payments setup
- retry funds capture transactions
- void funds disbursement payments
- stop funds disbursement payments
- view sensitive employee data
- submit separate remittance advice

### Setting Up Payments

The following are Oracle Payments setup checklist for features used by both funds capture and funds disbursement. These shared setup steps should be setup in the sequence indicated below:

1. Creating Oracle Payments Users
2. Setting Up System Security Options
3. Setting Up or Updating Oracle XML Publisher Templates for Payment Formats or Reporting Formats.
4. Setting Up Formats
5. Setting Up Validations
6. Setting Up Transmission Configurations
7. Configuring Tunneling

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### Setting Up Payments

#### 1. Creating Oracle Payments Users

The table below shows the main user interfaces that Oracle Payments provides that serve different purposes, along with their corresponding responsibilities.

#### 2. Setting Up System Security Options

System security options enable you to set security options for payment instrument encryption, masking, and credit card control. These options are used for both funds capture and funds disbursement processes. Payments uses the settings to handle security issues, such as encrypting payment instrument sensitive data, payment instrument masking, and credit card owner verification controls.

#### 3. Setting Up Oracle XML Publisher Templates

Payments uses Oracle XML Publisher templates to correctly format funds capture and funds disbursement transactions and to enable you to easily manage the formats. These payment templates can be created new or modified with minimal effort by using a standard text editor, such as Microsoft Word. Consequently, when a payment system or financial institution requires a change to its payment instruction format, the change can be made quickly by modifying the appropriate Oracle XML Publisher template.

#### 4. Setting Up Formats

Financial institutions, payment systems, and/or countries have specific formatting requirements for funds capture transactions, funds disbursement transactions, payment documents, and payment-related reporting. Formats are created within Oracle Payments to represent these requirements. Each format in Oracle Payments corresponds to one Oracle XML Publisher template. Oracle Payments uses Oracle XML Publisher templates to format funds capture and funds disbursement transactions according to the formatting requirements of specific financial institutions or payment documents.

#### 5. Setting Up Validations

Validations ensure that funds capture and funds disbursement transactions are valid, in addition to being correctly formatted before they are printed or submitted to payment systems.

In the Validations page, you can view seeded validations. For each validation, you can view the parameters of the validation and the formats and payment methods to which it is assigned.

#### 6. Setting Up Transmission Configurations

A transmission configuration implements a specific transmission protocol, which allows the delivery of a transaction to a specific payment system or financial institution. Each transmission protocol has parameters that require values. The values defined for the parameters comprise the transmission configuration for that transmission protocol.

For example, the payment system, PaymentTech, may require a Socket IP Address of X and a Socket Port Number of Y. Together, X and Y represent Transmission Configuration A for a given transmission protocol.

#### 7. Configuring Tunneling

Tunneling is a transmission feature in Oracle Payments whereby data, such as a payment instruction, is delivered using two protocols, one of which encapsulates the other. Tunneling is also referred to as delegated transmission, since the initial transmission from Oracle Payments is a request to an external module, that is, the Transmission Servlet, to deliver data using an independent transmission protocol. The name of the transmission protocol, its parameters, and the actual data which must be delivered by it are encapsulated within the body of the tunneling transmission protocol.

### Setting Up Payments

- 8. Setting Up Payment Systems
- 9. Configuring Oracle Payments Sample Servlet
- 10. Setting Up SSL Security for Payment System Servlet Communication
- 11. Configuring the XML Framework

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### Setting Up Payments

#### 8. Setting Up Payment Systems

A payment system is an organization that provides financial settlement services. Companies that deploy Payments typically choose payment systems to process their funds captures and, sometimes, their electronic funds disbursements payment instructions. A payment system can be the bank at which the deploying company has its bank accounts or it can be a third party processor that connects deploying companies with financial institutions. The latter is commonly the case for credit card processing. Payment systems are not required for printed funds disbursement payments, but may be required for related services, such as positive pay or other reporting.

#### 9. Configuring Oracle Payments Sample Servlet

The Oracle Payments sample servlet is a gateway model servlet that you can use to test your Oracle Payments implementation without having to register with a real payment system. The sample servlet only supports core Oracle Payments operations, such as authorization, capture, and return for credit cards.

#### 10. Setting Up SSL Security for Payment System Servlet Communication



When Oracle Payments communicates with the payment system servlets, the information exchanged may be sensitive information such as credit card numbers. If the communication is not secure, it poses a security risk.

### **11. Configuring the XML Framework**

Oracle Payments incorporates an XML framework, which enables it to communicate with payment systems using XML. The IBY: XML\_BASE property and, optionally, the IBY: JAVA\_XML\_LOG property must have valid values. Both properties can be set by running AutoConfig.

### Setup Tasks for Funds Disbursement

Funds disbursement is a payment sent from the first party payer, the Deploying company, to the third party payee, such as suppliers. A payment can take an electronic form; such as EFT or wire, or a printed form such as a check. Perform the following Oracle Payments setup steps for the funds disbursement process in the given sequence:

- Setting Up Funds Disbursement Payment Methods
- Setting Up Payment Method Defaulting Rules
- Setting Up Bank Instruction Codes
- Setting Up Delivery Channel Codes
- Setting Up Payment Reason Codes
- Setting Up Payment Process Profiles
- Setting Up Disbursement System Options

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### Setup Tasks for Funds Disbursement

Funds disbursement is a payment sent from the first party payer, the Deploying company, to the third party payee, such as suppliers. A payment can take an electronic form; such as EFT or wire, or a printed form such as a check.

#### Setting Up Funds Disbursement Payment Methods

A funds disbursement payment method is a medium by which the first party payer, or deploying company, makes a payment to a third party payee, such as a supplier. You can use a payment method to pay one or more suppliers. Oracle Payments supports several payment methods for funds disbursement, including the following:

- Checks
- Electronic Funds Transfer (EFT)
- Bills Payable
- Wire

#### Setting Up Payment Method Defaulting Rules

Payment method defaulting rules determine when payment methods default onto a document payable, such as an invoice. Various products are shown in the Payment Method

Defaulting Rules page because you can have different defaulting rules for different products. A payment method defaults onto a document payable when all specified conditions are met. Oracle Payments applies the rules in the user-specified priority. For example, if the first rule is a match, Oracle Payments stops and defaults that rule's corresponding payment method onto the invoice.

### **Setting Up Bank Instruction Codes**

Bank instruction codes are generally country-specific identifiers provided by a country's government or central bank. These codes provide the payment system or bank with additional details about how the country-specific payment is to be processed.

### **Setting Up Delivery Channel Codes**

Delivery channel codes are generally country-specific identifiers provided by a country's government or central bank. These codes provide the payment system or bank with additional details about how the country-specific payment is to be delivered to a payee.

### **Setting Up Payment Reason Codes**

Payment reason codes are generally country-specific identifiers provided by a country's government or central bank. These codes provide the payment system or bank with additional details about the reason for the payment for regulatory reporting purposes.

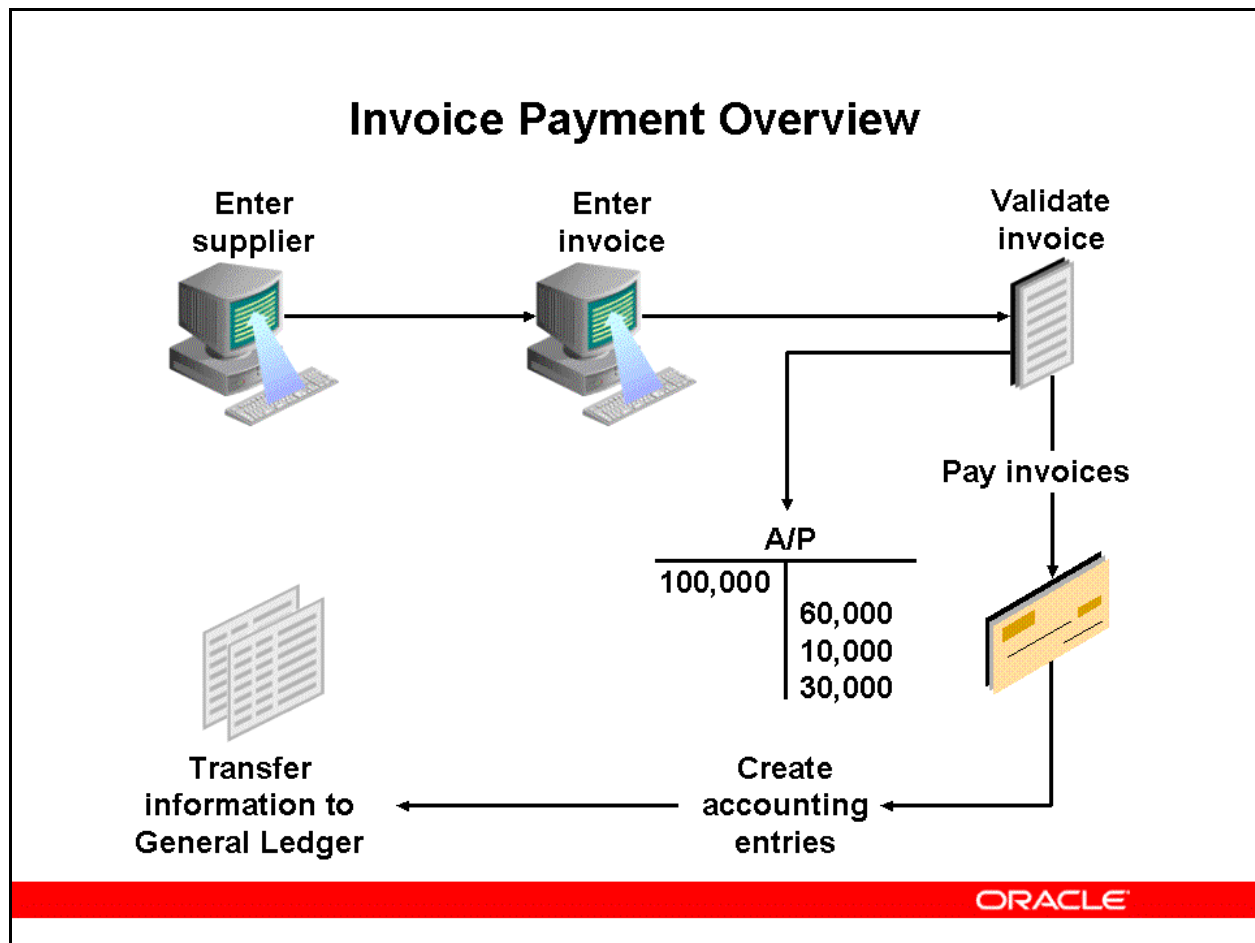
### **Setting Up Payment Process Profiles**

A payment process profile is a payment attribute assigned to documents payable, which specifies how Oracle Payments performs processing. Payment process profiles are comprised of several types of payment processing information, including specifications for formatting and transmission.

### **Setting Up Disbursement System Options**

Disbursement system options are system-wide payment options that control disbursements made by the first party payer to suppliers. Oracle Payments provides two levels of system options; enterprise-level system options and organization-level system options, by operating unit or legal entity. For more details on these setups, refer to *Oracle Payments Implementation Guide*.

## Invoice Payment Overview



### Invoice Payment Overview

The graphic describes the Invoice Payment overview.

Payables provides a variety of features for fast, controlled payment processing.

With Payables you can do the following:

- Make payments from your disbursement bank accounts in multiple ways: printed checks, wire, or through a variety of electronic payments, including electronic funds transfer (EFT), electronic data interchange (EDI), and XML.
- Create single payments manually or by computer-generation.
- Create multiple payments automatically.
- Pay only invoices that are due and automatically take the maximum discount available.
- Select invoices for payment, using a variety of criteria, and create payments automatically.
- Ensure that duplicate invoice payments do not occur.
- Review information online for the status of payments.

## New Payment Terminology

### New Payment Terminology

Key Concepts
Document Payable
Pay Run/Payment Process Request
Payee
Payment Instruction
Payment Process Profile
Payment Process Request Template
Payment Format
Payment Method

Key Concepts New to Oracle Payables



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### New Payment Terminology

The graphic lists the New Payment terminology.

Key concepts that are new to Payables in and later releases of R12 include the following:

**Document Payable:** A document to be paid by the deploying company (Payer). It may represent, for example, a Payables invoice or scheduled payment.

**Pay Run/Payment Process Request:** A pay run is a broad term, which describes the process by which a group of invoices is selected and processed for payment. It is roughly equivalent to the Release 11i concept of a payment batch. The term Pay Run is often used interchangeably with the term Payment Process Request. A payment process request is technically a request created by a source product for Oracle Payments payment services. The payment process request, which originates in the source product during the invoice selection process, contains one or more documents payable to be paid. During the payment process, the documents payable in the payment process request are built into payments.

**Payee:** The person or organization that is being paid. For example, the supplier, employee, or customer to whom the payment is made.

**Payment Instruction:** A payment instruction is a collection of payments, along with aggregate payment information, that is formatted. Depending on the setup, a payment instruction may be

converted into a file to be printed onto checks or into a payment file that is transmitted to a payment system for further processing and disbursement.

**Payment Process Profile:** A payment process profile is a payment attribute assigned to documents payable, which specifies handling of the documents payable, payments, and payment instructions. Payment process profiles including specifications for payment instruction formatting and transmission.

Payment process profiles contain the following information:

- payment instruction formatting information
- transmission information
- payment grouping
- payment limits
- payment sorting details

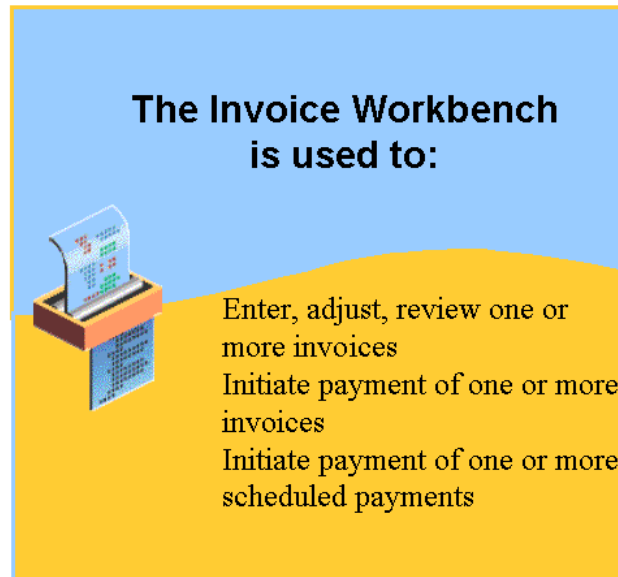
**Payment Process Request Template:** A blueprint that simplifies and expedites pay runs by pre-selecting pertinent payment data, such as general header information, payment selection criteria, payment attributes, processing instructions, and how validation failures are handled.

**Payment Format:** A set of rules that determine how a payment instruction or settlement batch is converted into a payment file, readable by a payment system. Payment formats are registered and maintained in Oracle XML Publisher.

**Payment Method:** A payment attribute on a document payable. The payment method indicates the medium by which the deploying company (first party payer) makes a payment to a supplier (third party payee). Examples of payment methods are checks printed in-house by the payer, checks outsourced to the bank for printing, and wires.

## Using the Invoice Workbench

### Using the Invoice Workbench



### Fully Integrated Invoice Workbench

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### Using the Invoice Workbench

The graphic describes using Invoice Workbench.

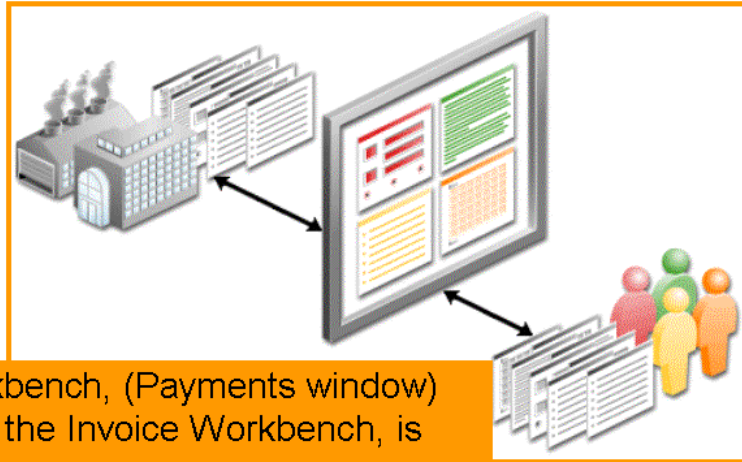
Payables automatically enters most of the payment information for you.

#### Prerequisites

- Each invoice you want to pay must be validated, uncanceled, and without holds.
- If you use Invoice Approval Workflow, the invoice approval status must be Approved for the invoice to be selected for payment. The invoice approval status is derived from the approval status of the document maintained at the invoice header and the approval status of the invoice lines.
- If you select more than one invoice, the invoices must have the same supplier site and currency.

## Using the Payment Workbench

### Using the Payment Workbench



The Payment Workbench, (Payments window) accessible through the Invoice Workbench, is used to generate:

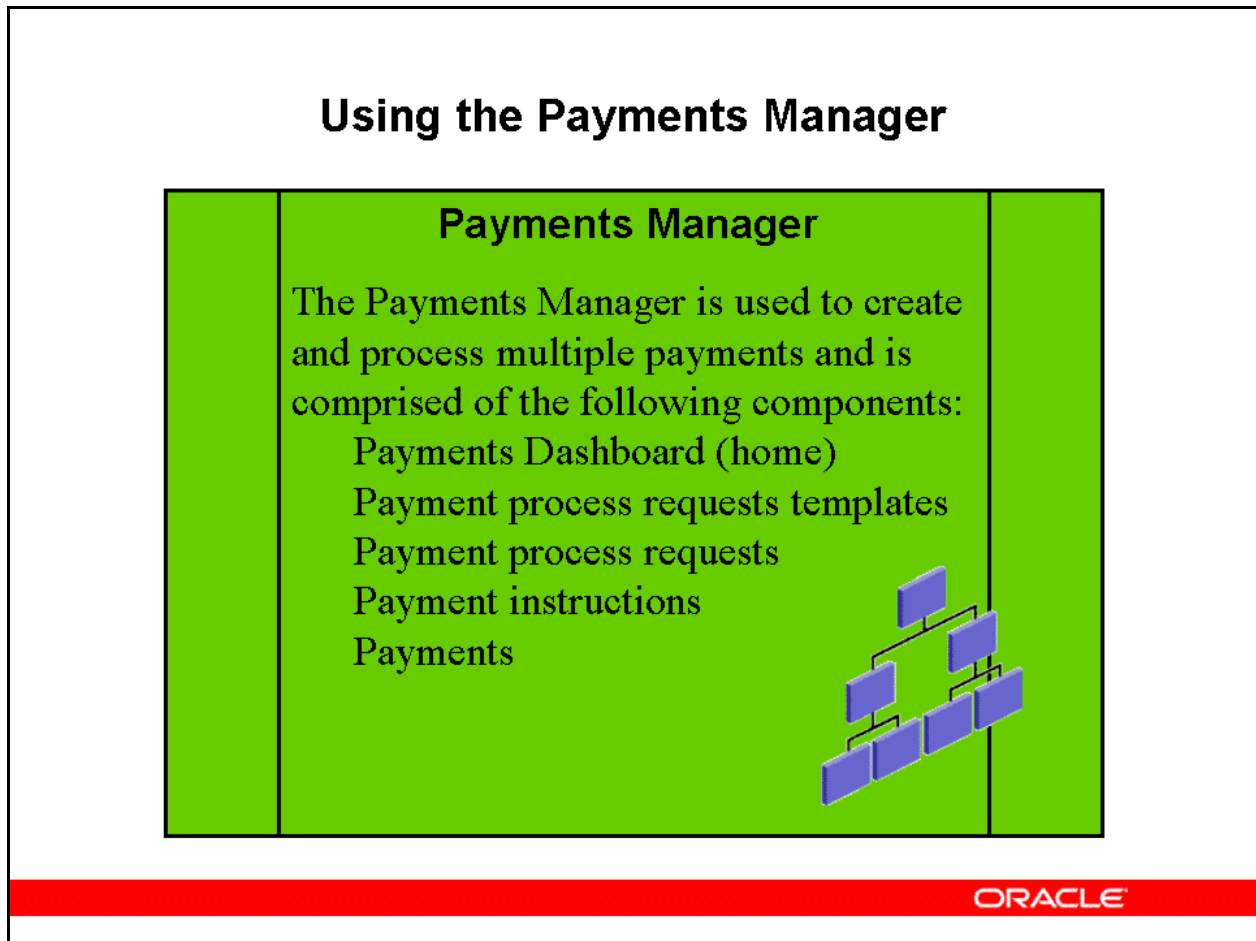
- Manual payment
- Quick payment
- Refund

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### Using the Payment Workbench

The graphic describes using the Payment Workbench.





### Using the Payments Manager

Using the Payments Manager, you can complete a pay run from start to finish. A pay run is the process by which a group of invoices is selected and processed for payment.

**Note:** A pay run is roughly equivalent to the Release 11i concept of a payment batch.

The Payments Manager enables you to perform the following payment actions:

- Create payment process request templates by specifying invoice selection criteria.
- Use templates to automatically select invoices to pay that meet the criteria for payment.
- Schedule pay runs.
- Modify invoice selection and payment amounts.
- Automatically submit invoices for processing and payment by scheduling payment process requests.
- Initiate payment instructions.
- View the status of payments.
- Void or record stop payments.

## Seeded Payment Methods

### Seeded Payment Methods

Payment Method	Definition
Check	A paper check to print and send to a supplier
Outsourced Check	Transmission of payment information to an external party, such as your bank, that prints checks on your behalf
Electronic	An EFT, EDI, or XML payment to the bank of a supplier
Wire	A funds transfer initiated by contacting the bank and requesting wire payment to the bank of a supplier

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### Seeded Payment Methods

The table describes the seeded Payment Methods.

These payment methods are seeded, but deploying companies can create their own payment methods.

**Check:** A paper check is printed and used as:

- one payment in a group of multiple payments
- a Quick payment
- a Manual payment

**Outsourced check:** This payment method is used to transmit payment information to an external party, such as your bank, that will print checks on your behalf.

**Electronic:** You use the Electronic payment method to create instructions for your bank to make payment to a supplier bank account. Typically, this communication is an electronic file that instructs your disbursement bank to pay your suppliers, and is in the specific format that your bank requires. Validations ensure that you have recorded supplier bank account information when you use the Electronic payment method.

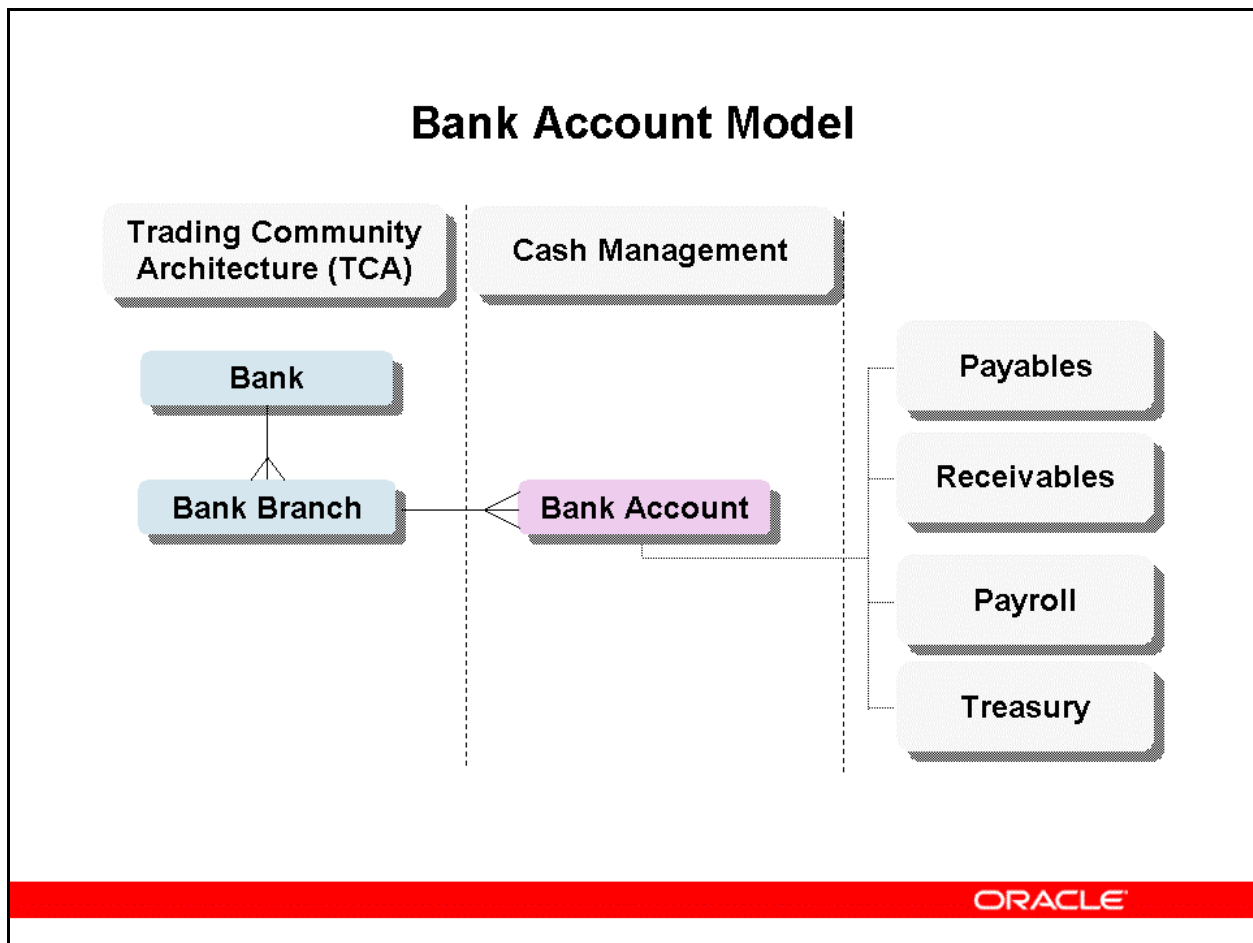
**Wire:** You can use the Wire payment method to manually record payment when you have used a process outside of your Oracle Payables system to instruct your disbursement bank to pay a supplier.

Payables does not require supplier bank account information when you use the Wire payment method. When you define payment documents for these payments, Oracle recommends you use the Recorded disbursement type because you are simply recording a payment made outside of the system.

**Note:** It is recommended that you record the transaction with a Manual payment.

The system allows you to use any disbursement type. For example, some users who regularly record Wire payments for multiple suppliers use payment documents with the Computer Generated disbursement type, create an electronic pay run, and then delete the resulting electronic file.

## Bank Account Model



### Bank Account Model

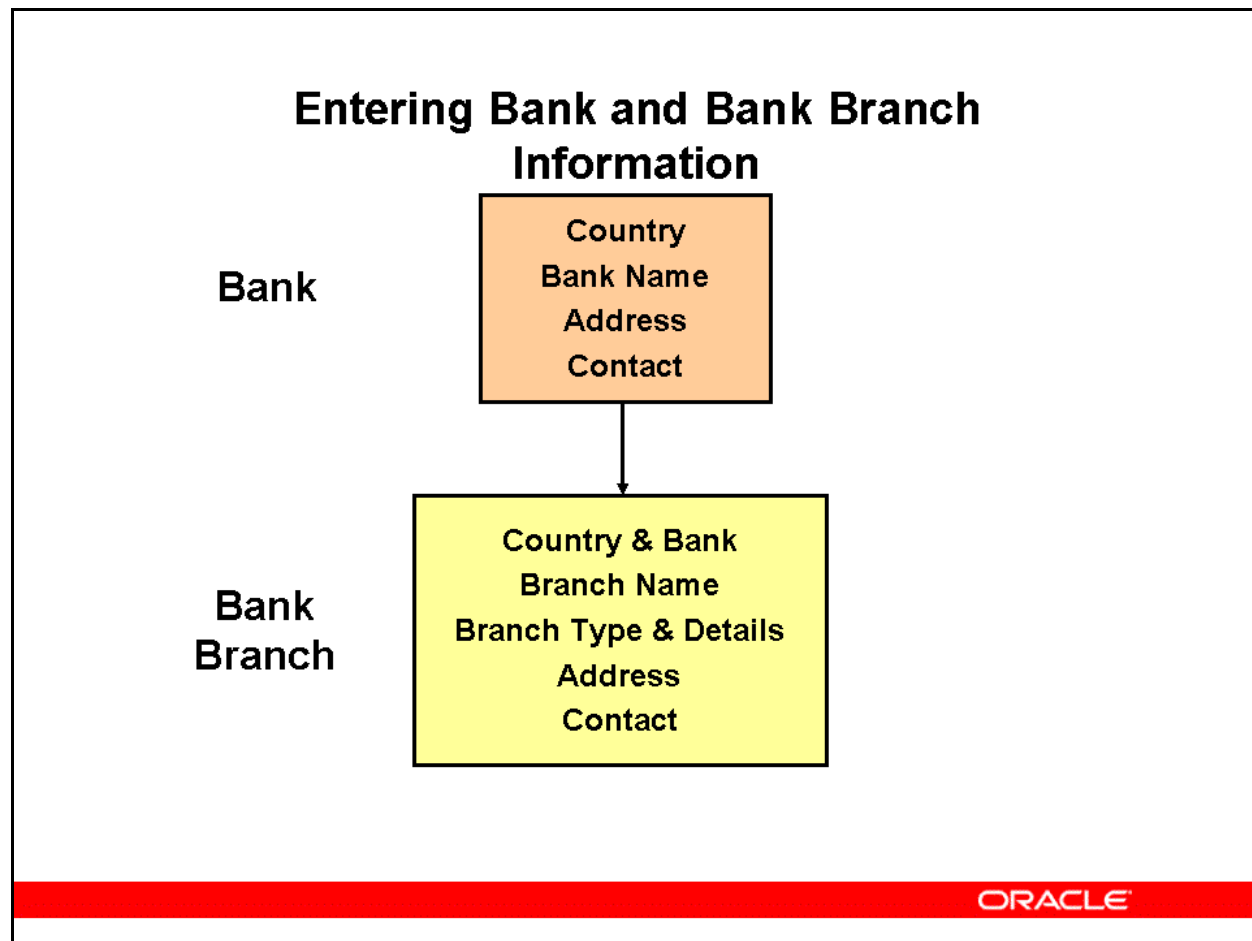
The graphic describes the Bank Account Model.

Payables leverages Oracle Trading Community Architecture and Oracle Cash Management to set up the bank accounts that you use to do business (internal bank accounts). Banks and Bank Branches are created as parties in Trading Community Architecture via the user interface in Oracle Cash Management. Bank Accounts are defined in Oracle Cash Management. Each bank can have multiple branches and each branch can have multiple accounts.

When you enable a bank account for use with Payables, you can associate the account with multiple payment documents.

When you set up your suppliers in Oracle iSupplier, you can also set up supplier bank accounts (external bank accounts).

## Entering Bank and Bank Branch Information



### Entering Bank and Bank Branch Information

The graphic describes entering bank and bank branch information.

Cash Management, Vision Operations (USA) Responsibility

(N) Setup > Banks

#### Entering Banks

You can create a new bank or add bank details to an existing party defined in your Trading Community.

For each bank, define the country in which the bank operates, the name of the bank, the bank address(es), and contacts. Optionally, you can define additional bank information: Alternative Bank Name, Short Bank Name, Bank Number, Description, Taxpayer ID, Tax Registration Number, XML Messages Email, Inactive Date, and Context Value.

#### Entering Bank Branches

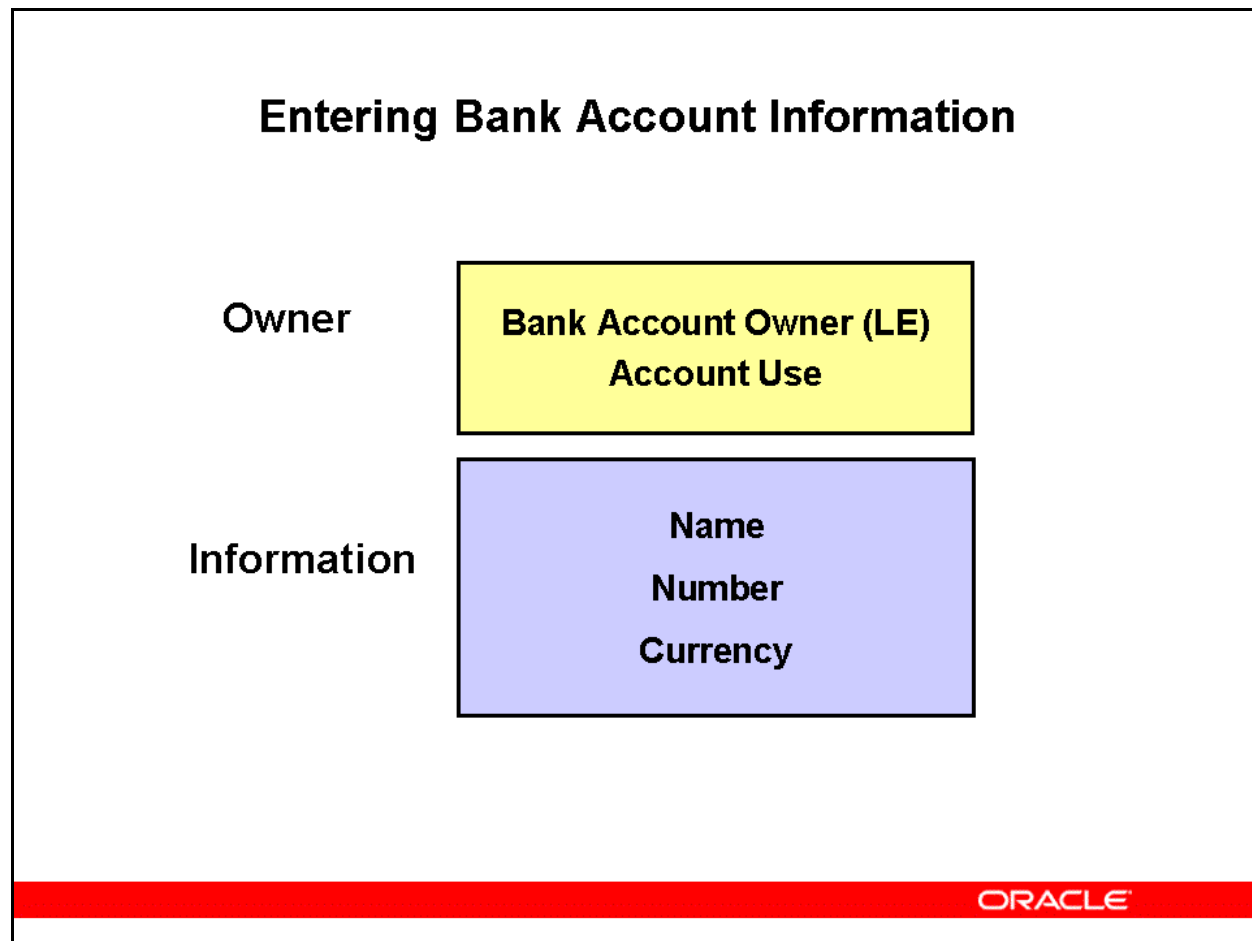
(N) Setup > Banks : (T) Branches

Each Bank can have more than one bank branch. When you create a bank branch, you can create a new branch or add branch details to an existing party defined in your Trading Community.

For each bank branch, define the country in which the bank operates, the bank the branch belongs to, the branch name, the branch type, address(es), and contacts.

In addition to defining the branch type, you can define additional bank branch details: Alternate Branch Name, Routing Transit Number, BIC, Bank Code, EDI Location, EFT Number, Description, RFC Identifier, Inactive Date, and Context Value.

## Entering Bank Account Information



### Entering Bank Account Information

The graphic describes entering bank account information.

Cash Management, Vision Operations (USA) Responsibility

(N) Setup: Banks > Bank Accounts > Create > Create Bank Account page > Create Bank Account: Account Owner and Use page > Create Bank Account: Account Information page

**Bank Account Owner:** The bank account owner is the legal entity that owns the account.

**Account Use:** Account use refers to the applications that are going to use this internal bank account: Payables, Payroll, Receivables, and or Treasury. If the Treasury option is enabled, you must link this bank branch to the counterparty in Treasury.

**Information:** You enter the name of the account, account number, currency, and description. You should have the name of the account match the name on the bank's records and then use the description field to indicate how the account is used, for example, main disbursement account. The account type is a free-form field that you might use to indicate whether the account is a savings or checking account or whether it's a corporate or division account.

Optionally, enter or select the Alternate Account Name, Short Account Name, Check Digit, Multiple Currencies Allowed, International Bank Account Number (IBAN), Account Type, Account Suffix, EFT Number, Secondary Account Reference, Account Holder, Alternate Account Holder, Description, Start Date, and End Date.

## Entering Bank Account Information

### Entering Bank Account Information

#### General Controls

- **Cash, Cash Clearing**
- **Bank Charges, Bank Errors**
- **Foreign Exchange Charges, Agency Location Code**
- **Netting Account**

#### Payables Controls

- **Multiple Currency Payments, Pooled Account**
- **Minimum/Maximum Payment, Allow Zero Payments**
- **Maximum Outlay**

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## Entering Bank Account Information

The graphic describes entering bank account information.

Cash Management, Vision Operations (USA) Responsibility

(N) Setup: Banks > Bank Accounts > Create > Create Bank Account page > Create Bank Account: Account Owner and Use page > Create Bank Account: Account Information page > Create Bank Account: Account Controls page

### General Controls Region

Enter the cash account number that should be charged for payments made from this bank account. You can also enter accounts for cash clearing, bank charges, bank errors, foreign exchange charges, and agency location code that will be used when you reconcile with Oracle Cash Management. If you specify these codes in the General Controls region, the accounts you specify will be used as the default accounts for all applications that use this account. You can also specify whether the bank account you are creating is a netting account. Note that you can specify Payables-specific accounts later on.

### Payables Controls Region

**Multiple Currency Payments:** If you have enabled the Use Multiple Currencies Payables option and you want to use this bank account to pay invoices entered in multiple currencies, enable this option.



**Pooled Account:** If you use Automatic Offsets and you want to associate multiple companies with this bank account, then enable this option. When you enable the Automatic Offsets Payables option, Payables creates one offsetting liability distribution for each invoice distribution. If you pay an invoice from a pooled bank account, then when Payables accounts for the invoice payment, Payables creates one corresponding cash accounting entry for each liability distribution.

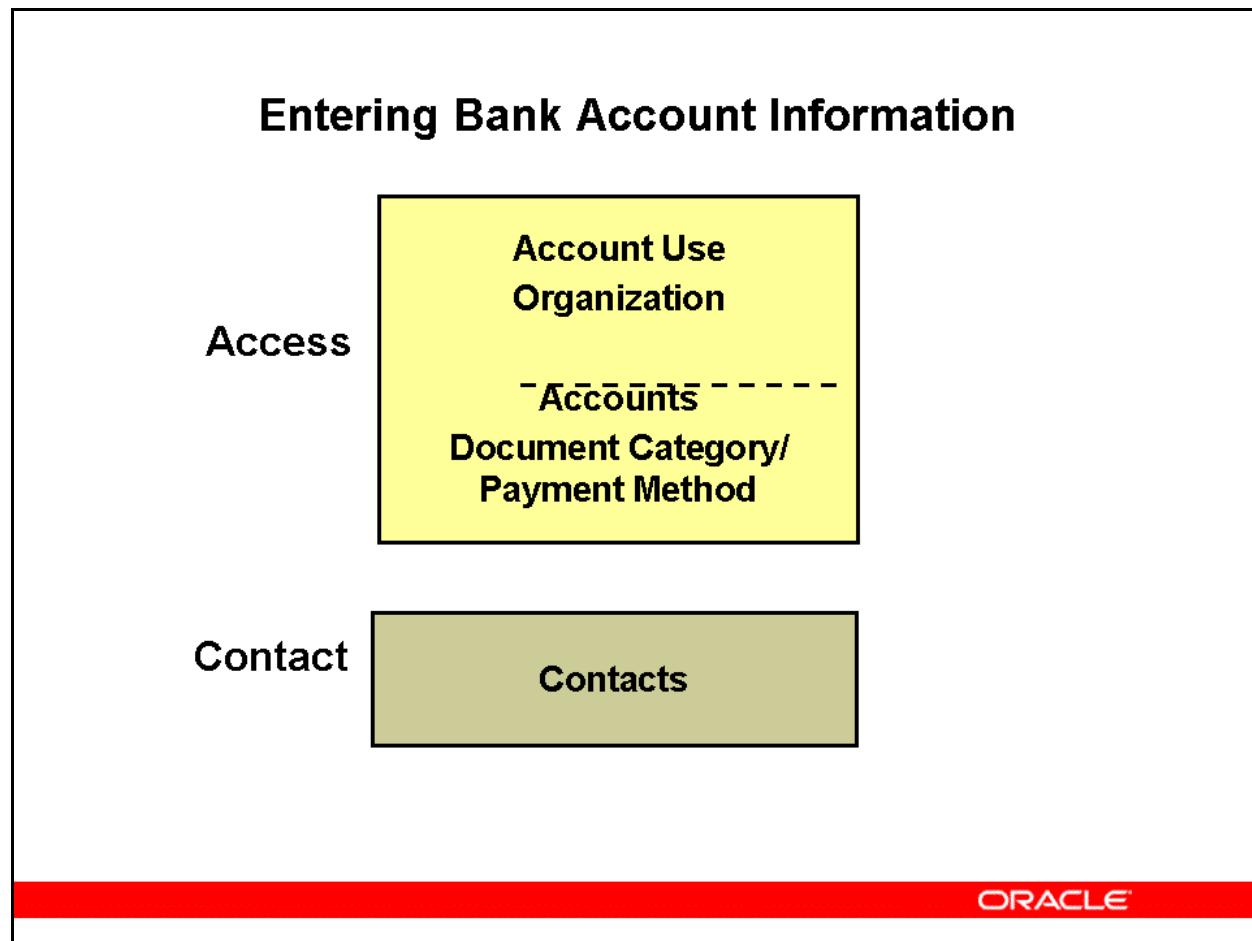
- In addition, Payables builds the cash account based on the Cash Account defined for the bank account and the account segments of the liability lines.
- If you do not use a pooled account, then when the payment is accounted, a single accounting entry is created for the Cash account, using the Cash Account that is defined for the bank account without modifying any account segments.

**Minimum/Maximum Payment:** Minimum/Maximum payment refers to the smallest and largest payment amounts that you allow in a pay run. When you initiate a pay run using the bank account, Payables uses the bank account's Maximum Payment as a default. You can override this default.

**Allow Zero Payments:** If you allow zero-amount payments from this bank account, enable this option.

**Maximum Outlay:** Maximum outlay is the largest currency outlay that you allow for a pay run for this bank account. If the total outlay of a pay run exceeds the maximum outlay for the pay run, Payables displays a warning, but allows you to continue processing the pay run. The Maximum Outlay for a bank account defaults from the Payables Options window. When you initiate a pay run using the bank account, Payables uses the bank account's Maximum Outlay as a default. You can override this default.

## Entering Bank Account Information



### Entering Bank Account Information

The graphic describes entering bank account information.

Cash Management, Vision Operations (USA) Responsibility

**Account Use:** Select the types of functions that this internal bank account is going to be used for: Payables, Payroll, Receivables, and/or Treasury. Internal banks are the bank accounts for which you are the account holder. Receivables uses internal bank accounts to receive payments from customers. Payables uses internal bank accounts to disburse funds to suppliers.

**Organization:** Enter or select the Organization that can access the account.

**Accounts.** For each payables document category and payment method combination you can update the following accounts that default from the bank account: cash clearing, bank charges, bank errors, realized gain, loss accounts, and future dated payments.

**Defining Payment Documents and Payment Methods:** You must create at least one payment document before you can use a bank account to create invoice payments. When you define payment documents, you can only select payment methods that use the same currency as the bank account currency. If the bank account is a multiple currency bank account, you can choose foreign currency payment methods or multiple currency payment methods.

**Contact**

You can enter the prefix, name, title, and telephone for a contact specific to this bank account.

### Defining Payment Documents

Payment documents are check stock on which checks and promissory notes can be printed or written. They usually have security features, such as watermarks to prevent fraud.

Before you can use a bank account with a processing type of Printed, you must:

- Create at least one payment document.
- Assign the payment document to a specific:
  - bank account name
  - bank account number
  - bank and branch

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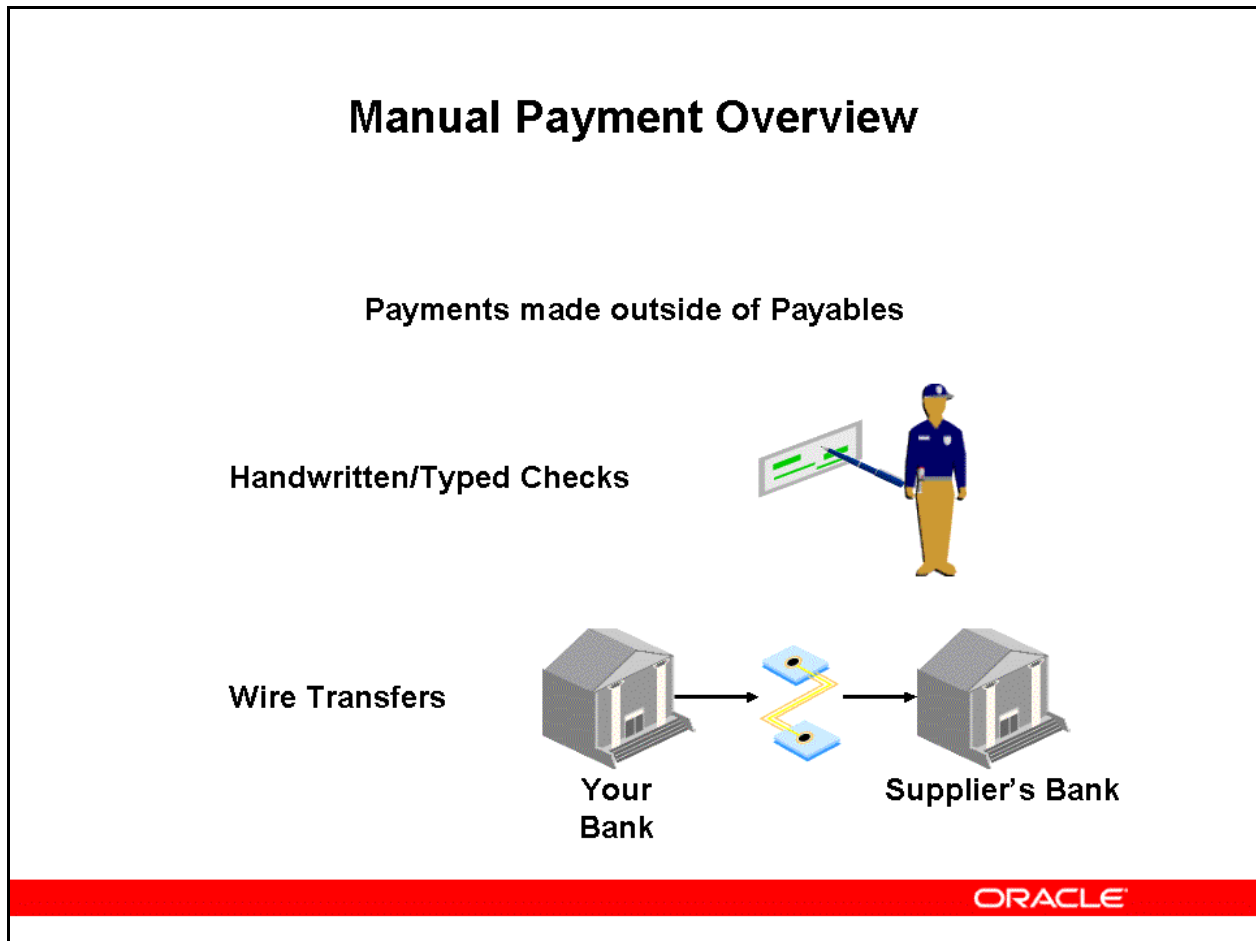
### Defining Payment Documents

To define payments documents:

1. Query the bank account.
2. Click the Manage Payment Documents button.
3. Click Create.
4. In the Name field, enter a name for the payment documents.
5. In the Paper Stock Type field, select Blank Stock for non-numbered check stock or Prenumbered Stock from the drop-down list.
6. If your check stock has an attached remittance stub, select the Attached Remittance Stub check box.
7. If your check stock has an attached remittance stub, specify the number of lines per remittance stub in the Number of Lines per Remittance Stub field.
8. In the Number of Setup Documents field, specify the number of checks you want to allow for testing check stock setup.
9. In the Format field, select a check format from the list of values.
10. In the Payment Document Category field, select the type of payment document from the list of values.

11. If your check stock is prenumbered, enter the first and last document numbers in the fields under the Document Numbers region.
12. If your organization uses a company checkbook, enter the appropriate information in the Checkbooks region.

## Manual Payment Overview



### Manual Payment Overview

The graphic describes entering manual payment.

When you create a payment outside of Payables, such as a typed check or wire transfer, you can record the payment within Payables and update the invoice or invoices that you paid.

With a Manual payment, you can override some payment controls of Payables. You can record a single Manual payment for multiple Pay Alone invoices. You can record payment for invoices that are associated with any payment method except Electronic. You can also pay an invoice for a supplier that has the Hold All Payments option enabled.

Prerequisites for processing Manual payments in Payables are:

- Create the payment outside of Payables.
- Each invoice you paid must be validated, uncanceled, without holds and must have the same currency as the payment.

## Creating Manual Payments

### Creating Manual Payments

**Payments**

Type	Bank Account	Payment Document	Num	Payment Amount	Trading Partner/Site
Manual	1 <sup>st</sup> National	Preprinted Checks	2107	200.10	ABC Co/Boston

Enter/Adjust Invoices

**Select Invoices**

Invoice Number	Payment Amount	Discount Amount	Unpaid Amount	Discount Available
29097	88.10	0.00	88.10	0.00
31077	112.00	0.00	112.00	0.00

Invoice Overview

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### Creating Manual Payments

The graphic describes creating manual payments.

When you create a payment outside of Payables by typing a check or performing a wire transfer, you can record the payment within Payables and update the invoices that you paid. You can also use this method to pay invoices with the Clearing payment method.

**Note:** A Manual payment is typically used to record a wire transfer. However, you can also use pay runs and Quick payments.

#### Recording a Manual Payment

Payables Responsibility

(N) Payments > Entry > Payments

1. In the Payments window, select Manual in the Type field.
2. Enter a Trading Partner. The Supplier Number is automatically displayed. If there are multiple Supplier Sites, select the appropriate site from the list.
3. Enter the Payment Date. The date must be in an open or future period. You can only predate a computer generated payment if the Allow Pre-Date option is enabled in the Single Payment region of the Payment tab within the Payables Options window.
4. Enter the Bank Account from which you want to make the payment.

5. Select a Payment Method.
6. If Printed is selected as the Payment Process Profile, select the type of Payment Document.
7. Select a Payment Process Profile.
8. If you enabled the Allow Remit-to Account Override option in the Invoice tab of the Payables Options window, then you can select a different, active Remit-To account. The list of values includes bank accounts assigned to the supplier that have the same payment currency.
9. If the Bills Payable payment method is selected, enter a Maturity Date.
10. Select a Rate Type.
11. If necessary, enter or adjust other information:
  - If you created the payment for an address different from the supplier site and the Allow Address Change option is enabled in the Single Payment region within the Payment tab of the Payables Options window, adjust the address. For example, you may need to send an expense check to a consultant working at a site away from home.
  - If you record voucher numbers either manually or using Sequential Numbering, enter or review voucher information.
  - If the payment currency was different from your functional currency, enter exchange rate information.
12. Choose Enter/Adjust Invoices to navigate to the Select Invoices window. Select the invoices you paid. The sum of the invoices must equal the payment Amount you entered. Optionally click the Invoice Overview button to see detailed information about an invoice.
13. Save your work. Payables records your payment and updates the invoices as paid. If you have selected the wrong invoice, you can select the invoice, and then click the Reverse Payment button. This automatically creates a reversal, which disassociates the invoice from the Manual payment. You can now select the correct Invoice.

### **Initiating Manual Payments from the Invoice Workbench**

In the Invoice Workbench, you can initiate Manual payment of one or more invoices or one or more scheduled payments. You do this by selecting the invoices you want to pay manually, clicking the Actions button and selecting the Pay in Full option to navigate to the Payments window. You then select Manual as the Payment Type. Payables automatically enters most of the payment information for you (such as payment amount and supplier/site name), and you skip the invoice selection step you would perform if you were to initiate the Manual payment from the Payment Workbench (Payments window).

### **Overriding Payment Controls**

With a Manual payment, you can override some payment controls. You can:

- Record a single payment for multiple Pay Alone invoices
- Record payment for invoices that are associated with any Payment Method type, except Electronic
- Pay an invoice for a supplier that has the Hold All Payments option enabled

### **Future Dated Manual Payments**

For future dated Manual payments, if the Payables option Use Future Dated Payment Account is set to Supplier Site, then you can select invoices for payment only if the supplier site Future Dated Payment Account is the same as that of the supplier site in the payment header.



## Withholding Taxes

If you withhold taxes at payment time, Payables does not automatically withhold taxes if you pay with a Manual payment.

### Prerequisites

- Create the payment outside of Oracle Payables.
- Each invoice you want to pay must be validated, uncanceled, and without holds.
- If you use Invoice Approval Workflow, then each invoice that requires approval must be approved before you can pay it.
- Each invoice must have either the same currency as the payment or use an associated fixed-rate currency.
- The bank account must have at least one payment document.
- The payment method is not electronic.
- For future dated payments, if the Payables option Use Future Dated Payment Account is set to Supplier Site, then you can select invoices for payment only if the supplier site Future Dated Payment Account is the same as that of the supplier site in the payment header.

## Creating Quick Payments

### Creating Quick Payments

**Payments**

Type	Bank Account	Payment Document	Num	Payment Amount	Trading Partner/Site
Quick	1st National	Laser Checks	7240	3510.00	XYZ Inc/Dallas

Enter/Adjust Invoices

**Select Invoices**

Invoice Number	Payment Amount	Discount Amount	Unpaid Amount	Discount Available
9097	2850.00	0.00	2850.00	0.00
10038	660.00	0.00	660.00	0.00

Invoice Overview

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### Creating Quick Payments

The graphic describes entering quick payments.

You can create and print a computer generated payment to pay a supplier for one or more invoices. You can also create a check, save it, then print it later.

When you create a quick payment, you can select an invoice regardless of the payments' terms and due date. For example, you can create a Quick payment for an invoice that is not yet due.

#### Prerequisites

- Invoices must be validated, uncanceled, and without holds.
- If you are creating an electronic payment, you must assign supplier banks to your supplier.

#### Creating a Quick Payment

Payables Responsibility

(N) Payments > Entry > Payments

1. In the Payments window, if you have access to more than one Operating Unit, select the appropriate operating unit, otherwise the default operating unit is automatically entered.

2. Enter a Trading Partner. The Supplier Number is automatically displayed. If there are multiple Supplier Sites, select the appropriate site from the list.
3. Enter the Payment document Date. The date must be in an open or future period. You can only predate a computer generated payment if the Allow Pre-Date option is enabled in the Single Payment region of the Payment tab within the Payables Options window.
4. Enter the Bank Account from which you want to make the payment.
5. Select a Payment Method.
6. If Printed is selected as the Payment Process Profile, select the type of Payment Document.
7. Select a Payment Process Profile.
8. If you have enabled the Allow Remit-To Account Override option in the Invoice tab of the Payables Options window, then you can select a different, active Remit-To account. The list of values includes bank accounts assigned to the supplier that have the same payment currency.

**Important:** The system ensures that Quick payments cannot be created for payment to inactive bank accounts.

9. Enter a Maturity Date if the Bills Payable payment method is selected.
10. Select a Rate Type.
11. Click the Enter/Adjust Invoices button to navigate to the Select Invoices window. Select the invoices you want to pay.
12. Optionally click the Invoice Overview button to review more information about an invoice.
13. Save your work. If any invoices are subject to withholding tax, a message is displayed. You can choose to proceed, change your selection, or cancel the process. If applicable, any Japanese bank charges are then calculated.

#### **Formatting and Optionally printing the Check**

- To format and print, first verify the payment document is in your printer, then select Print Now, optionally change the printer name, and choose OK.
- To format only and print the check later, select Format and choose OK. When you are ready to print, print from the Submit Requests window. You can use the Print Now option in the Actions window to print only if you print immediately after formatting.

#### **Quick Payment Restrictions**

- **NUMBER OF INVOICES.** You can only pay as many invoices as you defined for the remittance advice of the payment document.
- **SAME SUPPLIER SITE.** You can only select invoices that have the same supplier site as the payment supplier site you enter. You can, however, change the payment mailing address if the Allow Address Change option is enabled in the Single Payment region of the Payment tab of the Payables Options window.
- **PAY ALONE INVOICES.** The system adjusts the list of values to ensure that you don't pay a Pay Alone invoice when you pay multiple invoices. If you have selected an invoice for payment and then select more invoices for payment, then Payables does not include Pay Alone invoices on this list of values. If you select a Pay Alone invoice for Payment, you cannot select more invoices.
- **PAYING IN A FOREIGN CURRENCY.** You must pay in the same currency as the invoice. You can enter and pay a foreign currency invoice only if the Use Multiple Currencies option is enabled in the Currency tab of the Payables Options window, and you have defined a multi-currency or foreign currency denominated bank account.

- **CANNOT STOP FORMATTED QUICK PAYMENTS.** You cannot stop a Quick Payment before it has been formatted.

### **Initiating Quick Payments from the Invoice Workbench**

In the Invoice Workbench, you can initiate quick payment of one or more invoices or one or more scheduled payments. You do this by selecting the invoices you want to pay, clicking the Actions button and selecting the Pay in Full option to navigate to the Payments window. The Payment Type defaults as Quick. Payables automatically enters most of the payment information for you, such as payment amount and supplier/site name, and you skip the invoice selection step you would perform if you were to initiate the payment from the Payment Workbench (Payments window).

The Quick Pay option requires definition of Quick Pay discounts and attach them to the suppliers. It also requires the ability to change the Quick Pay options at the time of invoicing. To resolve the issue, the payment terms in payables now include definition of discounts in absolute terms. The payment terms now captures the Criteria for discount calculation by comparing the higher or lower Percentage Discount and Discount Amounts.

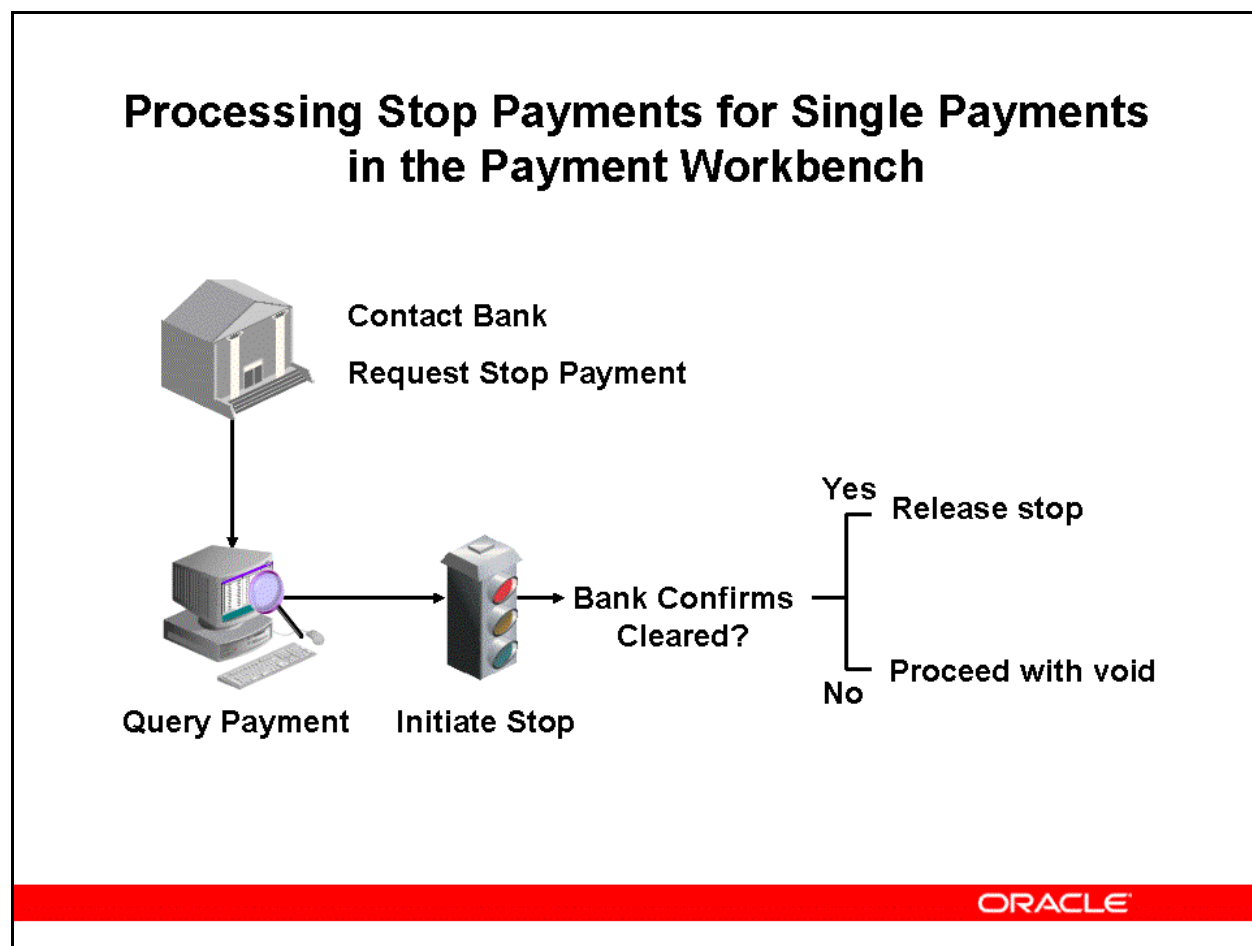
### **Payment Terms Enhancements**

The payment terms in payables contain the capability of defining discount percentages and due days. For defining payment terms with discounts in value, the Discount Amount is captured in the payment terms. There are criteria to set the discounts calculation. This enables setting the calculation of discounts by comparing the Higher or Lower of Percentage Discounts and Amount Discounts.

- The fields for Discount calculation in the First Discount Tab are marked as Discount Calculation Options.
- A new column, Discount Amount, is added in the First Discount region
- A dropdown is added to define the Criteria for discount calculation. The value are Higher, Lower, and Null. This enables selecting the criteria for calculating the discounts on Higher or Lower of the Percentage Discount and Value Discounts. This field is enabled and mandatory only when the discount is defined both in Percentage and in Value terms. If you do not specify the Criteria but have entered Percentage Discount and Amount, then an error displays.
- If only one of the values '% Discount' or 'Discount Amount' are entered, then NULL will be displayed in this column.
- All of the above is applicable to Second Discount and Third Discount regions of payment terms.

Dispute Resolution is a mechanism to raise disputes on the supplier invoices. This enables you to log and track all activities and discussions around a particular dispute including any expected follow-up or actions. For Dispute Resolution, the invoice amounts, approved payment amounts, and the reason for dispute on the invoice are captured.

## Processing Stop Payments for Single Payments in the Payment Workbench



### Processing Stop Payments for Single Payments in the Payment Workbench

The graphic describes processing stop payments for Single Payments.

(N) Payments > Entry > Payments > Payments window

After you call your bank to initiate a stop payment on a payment document, you can record the stop payment status. You can void the payment to reverse the accounting and payment records (assuming the bank has confirmed that the payment has not cleared), or you can release the stop payment to reset the payment status to negotiable (assuming the bank has notified you that the payment has cleared or the supplier has contacted you that they located the payment document).

You can review all current stop payments in the Stop Payments Report. You can query all payments with a status of Stop Initiated by selecting that status in the Find Payments window and then selecting the Find button.

#### Stopping a Payment

- Contact bank and request stop payment.
- Find the payment online. In the Payments window, select the payment and choose the Actions button.

- In the Payment Actions window, select Initiate Stop.
- Choose the OK button to update the payment status to Stop Initiated.

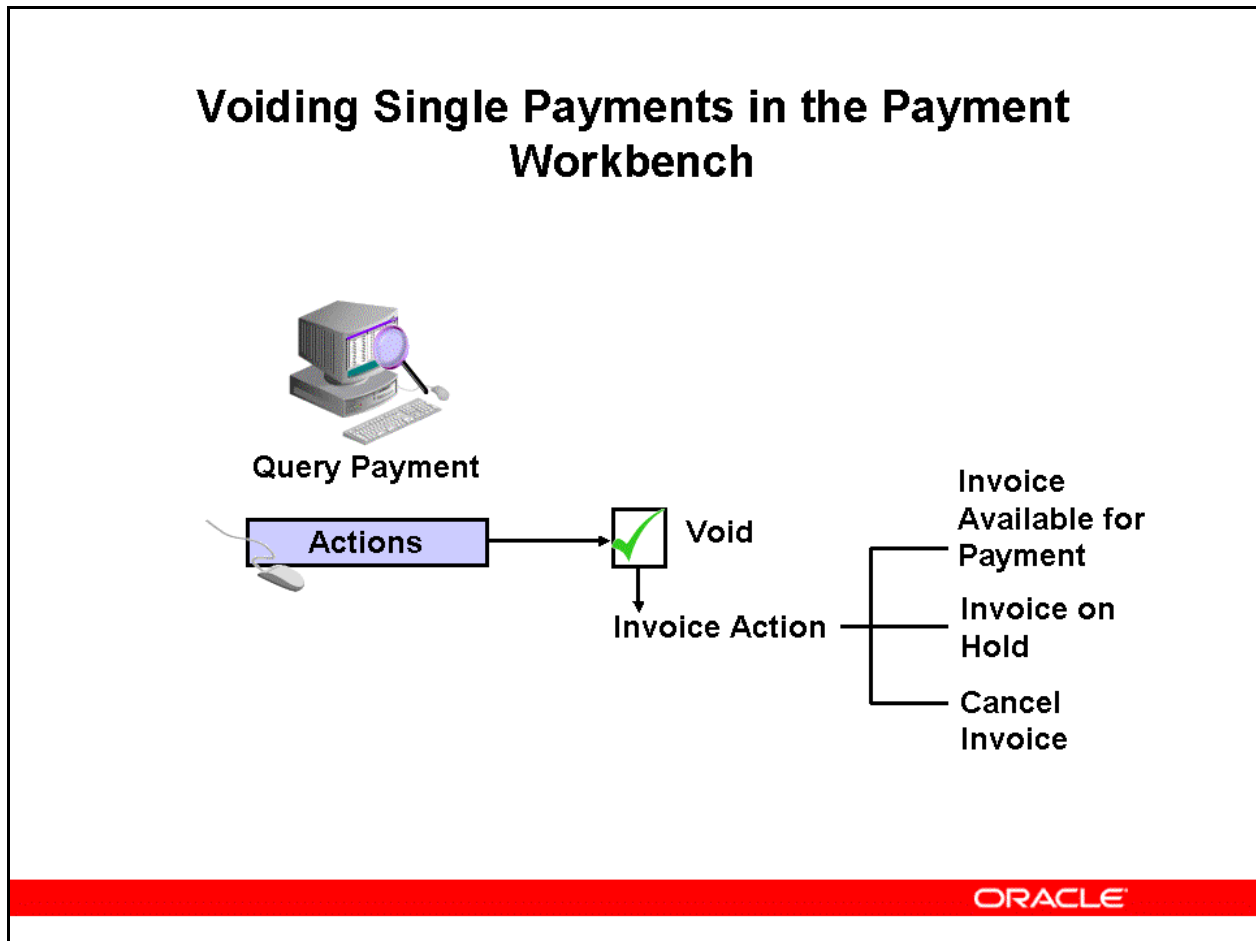
### **Releasing a Stop on a Payment**

- Find the payment online. In the Payments window, select the payment and choose the Actions button.
- In the Payment Actions window, select Release Stop.
- Choose the OK button to release the stop on the payment and reset the status to Negotiable.

### **Stop Payment Restrictions**

- **PREPAYMENTS:** You cannot initiate a stop payment on a payment document that pays a prepayment that you have applied to an invoice. You must first unapply any prepayments, and then you can stop payment.
- **QUICK PAYMENTS:** You cannot initiate a stop payment on a Quick Payment that has been formatted.

## Voiding Single Payments in the Payment Workbench



### Voiding Single Payments in the Payment Workbench

The graphic describes voiding Single Payments.

(N) Payments > Entry > Payments > Payments window

When you void a payment, Payables automatically reverses the accounting associated with the payment. The status of the paid invoices is also reset to Unpaid or Cancelled depending on the Invoice Action you select when you void the payment. Payables also reverses any realized gains or losses on foreign currency invoices recorded as paid by the payment.

When you void a payment, you can select the action you want Payables to take on the invoices paid by the void payment. You can choose to:

- Place the invoices on hold
- Cancel the invoices
- Do nothing with the invoices, thereby leaving them available for payment

**Note:** Since you cannot reverse a void on a void payment, you should have the payment you want to void in your possession or proof that it has not cleared the bank or has been destroyed before you record it as voided. You may also want to review the invoices paid by that payment before you void it, to ensure that you are voiding the correct payment. You can review these invoices in the Invoice Workbench.

#### Prerequisites

- Call your bank to initiate a stop payment if the payment has been sent to an employee or supplier.
- Wait until you get confirmation of the stop payment before you void the payment (optional but recommended).

### Voiding a Payment

Find the payment online, and from the Payments window, select the payment and choose the Actions button. In the Payment Actions window, select Void. Review and optionally change the void Date and the GL Date you want Payables to use for the accounting distributions.

- If you want to change the status of the related invoices to Unpaid, select None for the Invoice Action. The invoices will be available for payment on a new payment.
- If you want to apply a hold to the related invoices, select Hold for the Invoice Action and select a Hold Name in the Hold window. Payables voids the payment, resets the status of the related invoices to Unpaid, and applies the hold you selected to the related invoices.
- If you want to cancel all related invoices and reset their Amounts to zero, select Cancel for the Invoice Action. Payables voids the payment and cancels the related invoices.

### Voiding and Reissuing Quick Payments

You can:

- Void a Quick payment and automatically reissue payment for the same invoices
- Void the original payment and reissue a new Quick payment

### Prerequisites

Enable the Allow Void and Reissue option in the Single Payment region of the Payment tab within the Payables Options window. To void and reissue a Quick payment:

- Load and properly align your payment document in the printer.
- Find the Quick payment online, and from the Payments window select the payment and choose the Actions button.
- In the Payment Actions window, select Reissue. Enter the Payment Date and confirm the New Check Number. Payables automatically selects Void for you. Review and optionally update the void dates. Payables voids the selected Quick payment and creates a new Quick payment to pay the invoices.

### Restrictions

**INVOICES PAID BY ANOTHER PAYMENT:** When you void a payment, you cannot cancel a related invoice if it was partially paid by a second payment. Instead, when you choose Cancel Invoice, the system applies an "Invoice Cancel" hold to the invoice for your reference. You can release the hold manually in the Invoice Holds window.

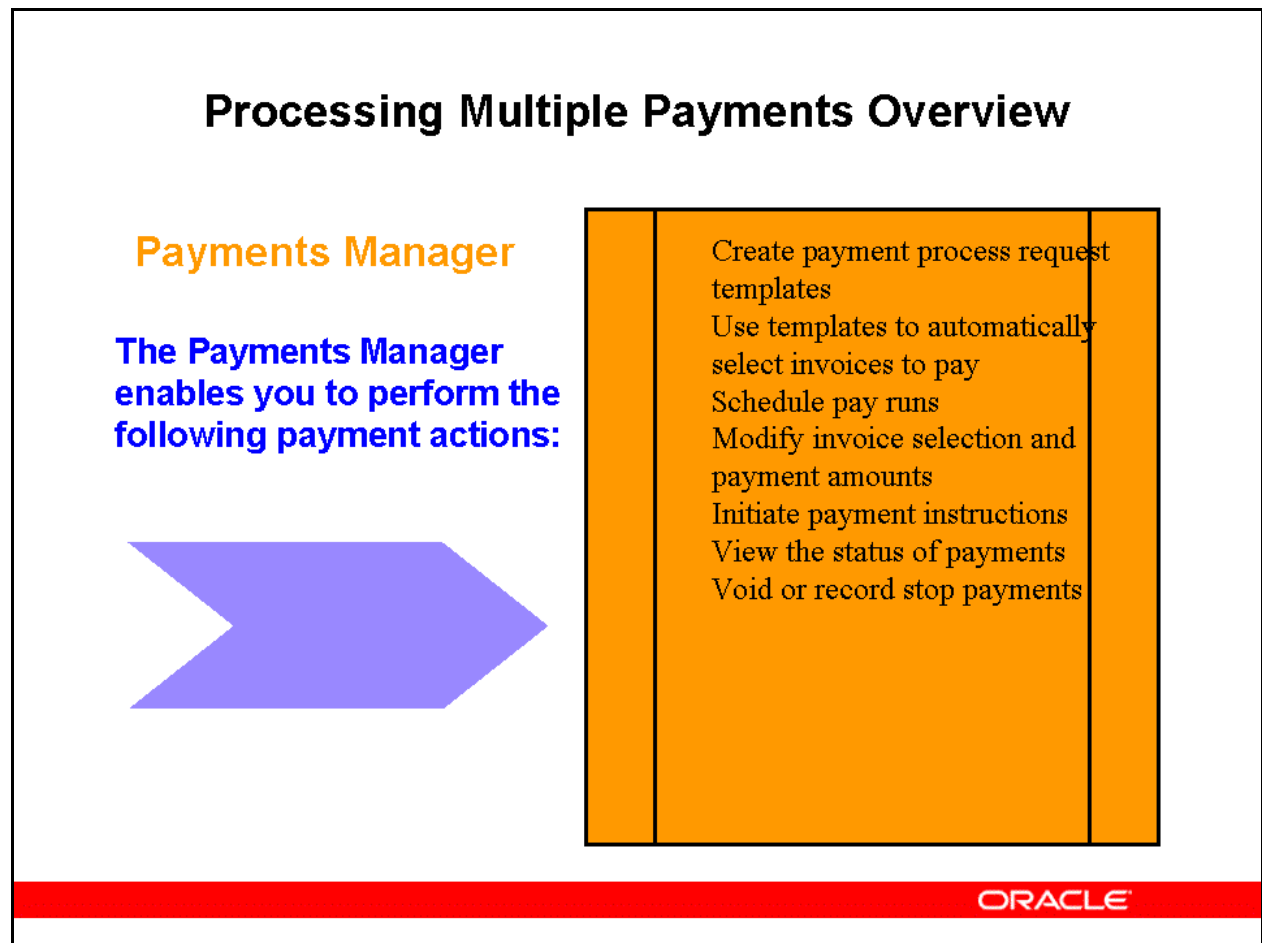
**CANCELLING ASSOCIATED INVOICES:** If you attempt to cancel an invoice that has been partially paid by another payment by using the Cancel Invoice Action, instead of cancelling the invoice, Payables applies an Invoice Cancel hold to the invoice. This hold is manually releasable.

**CLEARED PAYMENTS:** You cannot void a payment that the bank has already cleared.

**PREPAYMENTS:** You cannot void payment on a payment document that pays a prepayment that you have applied to an invoice. You must first unapply any prepayments, and then you can void the payment.



## Processing Multiple Payments Overview



### Processing Multiple Payments Overview

The graphic describes processing multiple payments.

### **Payments Manager Overview**

The Payments Manager's payment process is as follows:

- Invoices are grouped into a payment process request.
- The Build Payments program validates the invoices, groups them into payments, and validates those payments.
- The Create Payment Instructions program groups the payments into payment instructions.
- Each payment instruction results in one payment file that contains information on one or more payments.
- Payments are made by printing checks or electronically transmitting payment instructions to a financial institution or external payment system.

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### **Payments Manager Overview**

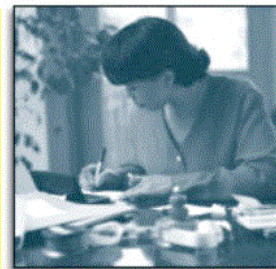
### Creating Payment Process Request Templates



Payment process request templates are created in the Templates tab of the Payments Manager to simplify pay run processing.

A template is used to select invoices for a pay run and specifies:

- header information
- payment selection criteria
- payment attributes
- processing instructions
- how validation failures will be handled



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### Creating Payment Process Request Templates

The graphic describes creating Payment Process Request Template.

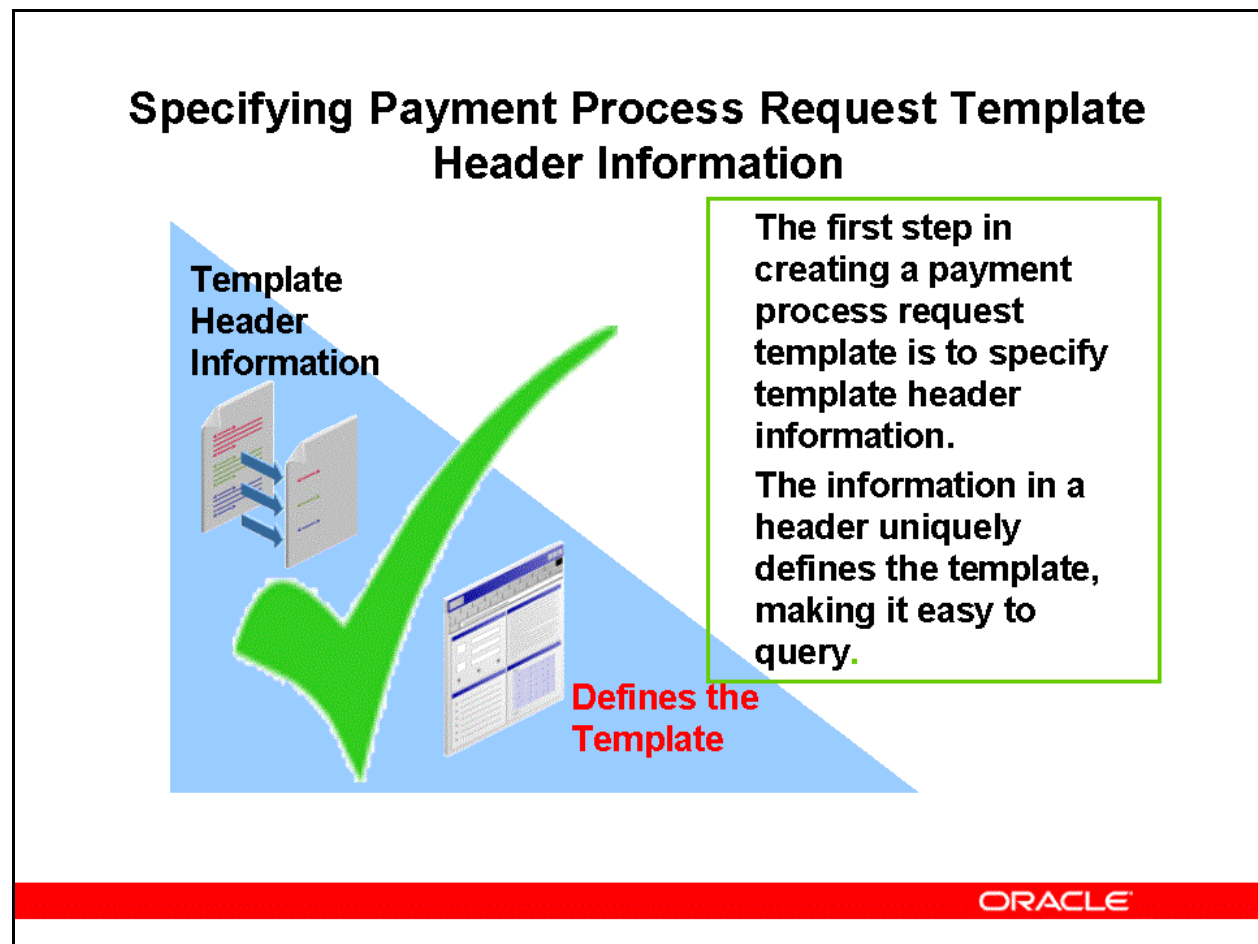
(N) Payments Manager > (T) Templates > (B) Create

#### Benefits of Using a Payment Process Request Template

Payment process request templates enable you to:

- Minimize data entry by saving you from re-keying frequently used values, which simplifies and expedites pay runs.
- Retrieve cash requirements for the invoices that will be selected for payment by running the Schedule Cash Requirements Report.
- Schedule payment process requests to run on a repeating basis.
- Submit specific payment process requests by specifying a template that is used as a parameter and which contains all the information needed for submitting the particular payment process request.
- Use a template as a starting point for submitting pay runs.

## Specifying Payment Process Request Template Header Information



### Specifying Payment Process Request Template Header Information

The graphic describes specifying Header Information for Payment Process Request Template.

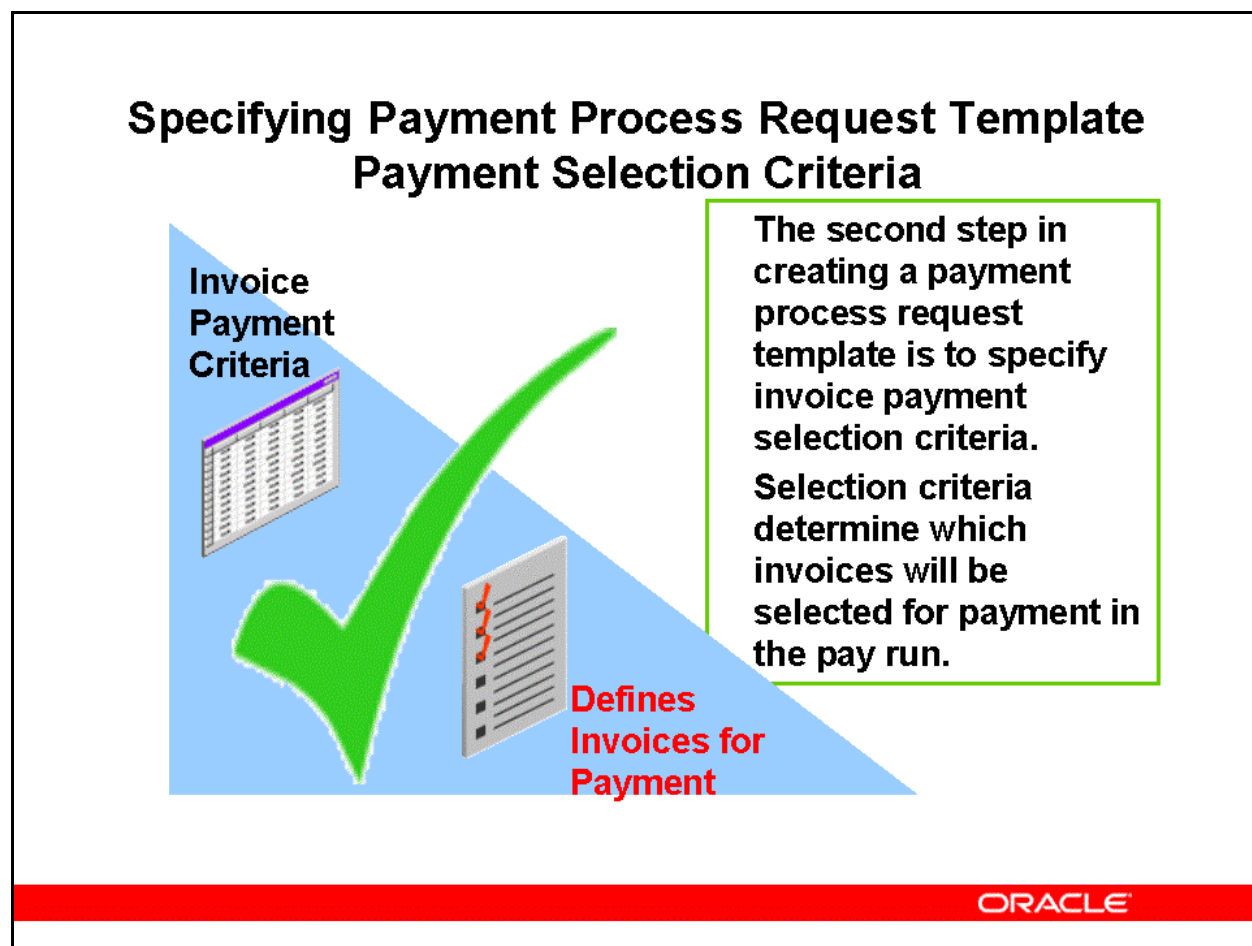
#### Location of Header Information

The header information is located above the five subtabs in the Create Payment Process Request Template page.

#### Template Types

Templates can be categorized by types to enable you to quickly find the appropriate template. Template types are particularly useful in large enterprises because templates are not identified by organization unit.

## Specifying Payment Process Request Template Payment Selection Criteria



### Specifying Payment Process Request Template Payment Selection Criteria

The graphic describes specifying Payment Selection Criteria for Payment Process Request Template.

(N) Payments Manager > (T) Templates > Payment Process Request Templates > (B) Create > Create Payment Process Request Template > Scheduled Payment Selection Criteria subtab

The Scheduled Payment Selection Criteria subtab includes the following parameters that you can use to limit the selection of invoices for a pay run:

- supplier type (payee type, such as Company, Contractor, or Government)
- payee (supplier)
- payment method (such as Check, EFT, Wire, and Bills Payable)

**Number of Pay From Days:** The value for the Number of Pay From Days determines the Pay From Date on a payment process request. It represents the number of days added to today's pay run date that is used as the start date for which invoices will be selected. For example, if the pay run is today, May 1, and you enter a value of 3 for the Number of Pay From Days, it means that Payables will select invoices for payment starting with a payment date on or after May 4. That is, May 1 plus 3 Number of Pay from Days equals May 4 as the start date. The

value that you enter for the Number of Pay From Days translates into a date that the system uses as the start date of the range of payment dates for which invoices will be selected.

**Additional Pay Through Days:** This mandatory value determines the Pay Through Date on a payment process request. It represents the additional number of days that Payables will select invoices for payment. For example, if you enter a value of 4, it means that Payables will select invoices for payment from the start date, which is derived from the Number of Pay From Days, with payment dates from the Pay From Date up to 4 days into the future. The value that you enter for the Additional Pay Through Days translates into a date that the system uses as the end date of the range of payment dates for which invoices will be selected.

**Payment Priority High/Low:** Optionally, these values represent the highest and lowest payment priority, respectively, for the selection of invoices. The default range is from 1-99 with 1 the highest payment priority and 99 the lowest.

**Include Only Due:** Enable this check box if you want to override supplier sites with a pay date basis set to discount and only pay invoices with due dates on or before the Number of Pay From Days.

**Document Exchange Rate Type:** Options include User or Not User.

**Include Zero Amount:** Enable this check box if you want Payables to select zero amount invoices for payment.

**Pay Groups:** Optionally, you may wish to pay only specific groups in this pay run, such as manufacturing suppliers, office supplies suppliers, or utility suppliers or you may elect to pay all pay groups.

Specifying All or Specific Parameters of Payments for Pay Groups, Legal Entities, Payment Currencies, and Operating Units

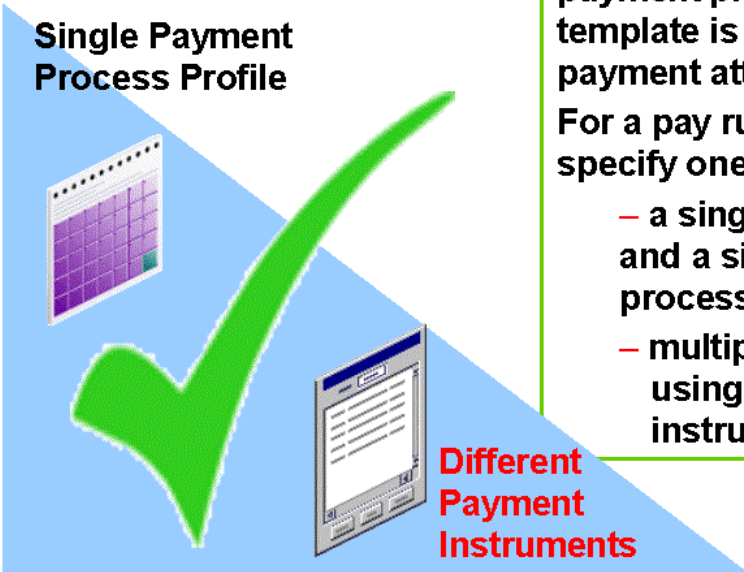
The Scheduled Payment Selection Criteria subtab enables you to conveniently specify multiple pay groups, payment currencies, legal entities, and operating units from which the template will select the scheduled payment invoices.

For example, if you select the All radio button for Operating Units in the Scheduled Payment Selection Criteria subtab, the selection process selects scheduled payments for all operating units for which you use the template to submit a request.

If you select the Specify radio button in the Scheduled Payment Selection Criteria subtab, you can specify Operating Units and the selection process only selects scheduled payments for those operating units.

## Specifying Payment Process Request Template Payment Attributes

### Specifying Payment Process Request Template Payment Attributes



**Single Payment Process Profile**

**Different Payment Instruments**

The third step in creating a payment process request template is to specify payment attributes. For a pay run, you can specify one of the following:

- a single bank account and a single payment process profile
- multiple bank accounts using different payment instruments

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### Specifying Payment Process Request Template Payment Attributes

The graphic describes specifying Payment Attributes for Payment Process Request Template.

(N) Payments Manager > (T) Templates > Payment Process Request Templates > (B) Create > Create Payment Process Request Template > Payment Attributes subtab

**Disbursement Bank Account:** Select the bank account that you want to use to draw funds from to pay the selected invoices.

**Note:** If you wish to specify how all the documents payable in a pay run will be paid, specify a single disbursement bank account and payment process profile. If you don't specify bank account or payment process profile, or mistakenly specify an inappropriate bank account or payment process profile for a document payable, then the payment process pauses and requires you to provide these values in the Complete Document Assignments: Payment Process Request <name> page. An example of this would be where the user's selection criteria selects an invoice that has a payment method that is not assigned to the specified payment process profile.

If you leave this field blank, it will be populated when you select a payment process profile. For a pay run, you do not need to specify only a single bank account or a single payment process profile. Instead, you can manage a large group of selected documents payable in a

pay run by paying from multiple bank accounts and using different payment process profiles. This occurs if you assigned the appropriate bank accounts and payment process profiles to specific organizations.

**Payment Document:** Enter the document name of the check stock you want to use to print checks.

**Note:** This field applies only to printed payments, such as checks.

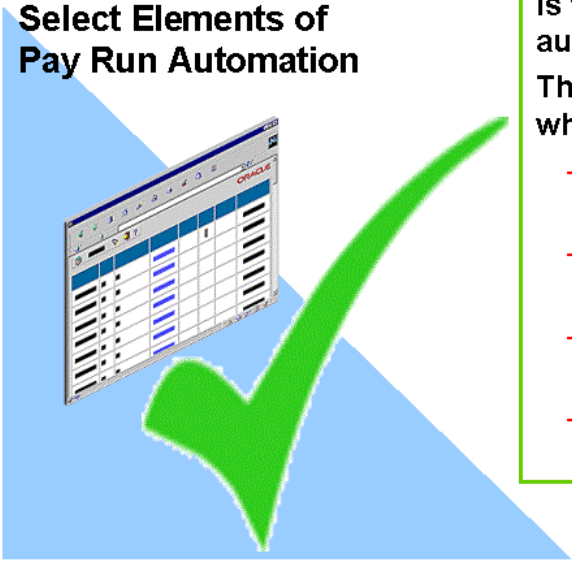
**Payment Process Profile:** Select the payment process profile you wish to use for this template.

**Note:** Leave this field blank if you will be using this template to select both printed and electronic documents payable in a pay run. A payment process profile contains information that specifies how Payables is to handle documents payable, such as invoices. The selection of a payment process profile is determined by the payment method assigned to the documents payable, whether printed or electronic. The payment method is assigned to the payment process profile. Payment process profiles also include specifications for payment formatting and transmission.



### Automating the Payment Process Request Template Process

**Select Elements of Pay Run Automation**



The fourth step in creating a payment process request template is to specify the degree of pay run automation.

The pay run process can specify whether to:

- group credit payments for a supplier together
- stop for selected invoice review
- stop for proposed payments review
- initiate payment instructions after pay run/wait for review

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### Automating the Payment Process Request Template Process

The graphic describes automating the Payment Process Request Template process.

(N) Payments Manager > (T) Templates > Payment Process Request Templates > (B) Create > Create Payment Process Request Template : (ST) Process Automation

**Maximize Credits:** If you select this check box, then during invoice selection, if there is any credit for a payee (supplier) after interest and payment withholding calculations, the system groups all scheduled payments for the payee site together to be paid on one payment, based on grouping rules. If the sum is negative, the system reduces the credit amount to zero.

**Note:** Do not use this feature if you want to group payments by Due Date. If the enterprise uses Japanese Bank Charges or Extended Withholding to calculate payment withholding, Oracle recommends that you refrain from using this feature because it could reduce the payment amount to less than zero and the scheduled payments would be rejected. Also, if your bank account does not allow zero payments, Oracle recommends that you not use this feature. If your fiscal authority allows zero payments, you can customize your payment format to include zero amount payments or specify zero amount payments for applying credits.

**Stop Process for Review after Scheduled Payment Selection:** If you select this check box, the pay run pauses after invoices have been selected and the status of the payment process request updates to Invoices Pending Review.

**Calculate Payment Withholding and Interest during Scheduled Payment Selection:** If you select this check box, the following calculations occur:

For each scheduled payment subject to interest, the system calculates the interest due.

For those invoices subject to withholding, the system calculates withholding tax for invoices that belong to an operating unit where tax is withheld at payment time.

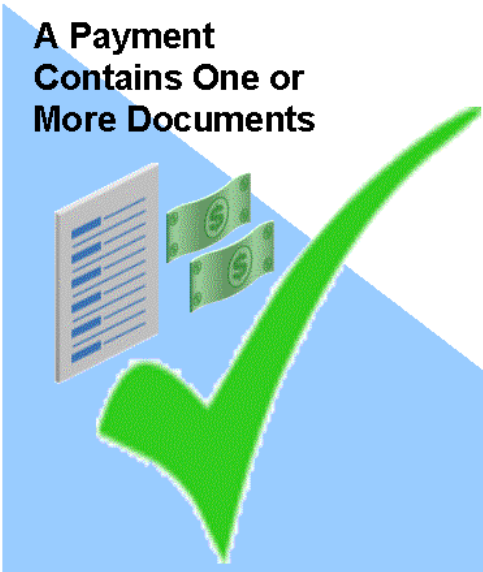
**Stop Process for Review after Creation of Proposed Payments:** If you select this check box, the Build Payments program runs to group the invoices into payments and the pay run pauses after payments have been built for the payment administrator to review.

**Create Payment Instructions:** If you select the Initiate When Payment Process Request is Complete option, the system initiates the automatic creation of payment instructions immediately after the payment process request completes.

If you select the Wait for Standard Request Submission option, the pay run stops after the payment process request completes so that the scheduled or manually run Create Payment Instructions program can combine payments from this and other payment process requests into the same payment instructions.

## Specifying Validation Failure Criteria for the Payment Process Request Template

### Specifying Validation Failure Criteria for the Payment Process Request Template



**A Payment Contains One or More Documents**

The fifth and final step in creating a payment process request template is to specify how the system handles validation failure on the:

- document level
- payment level

**Documents are invoices grouped together to form a payment. A payment contains one or more documents.**

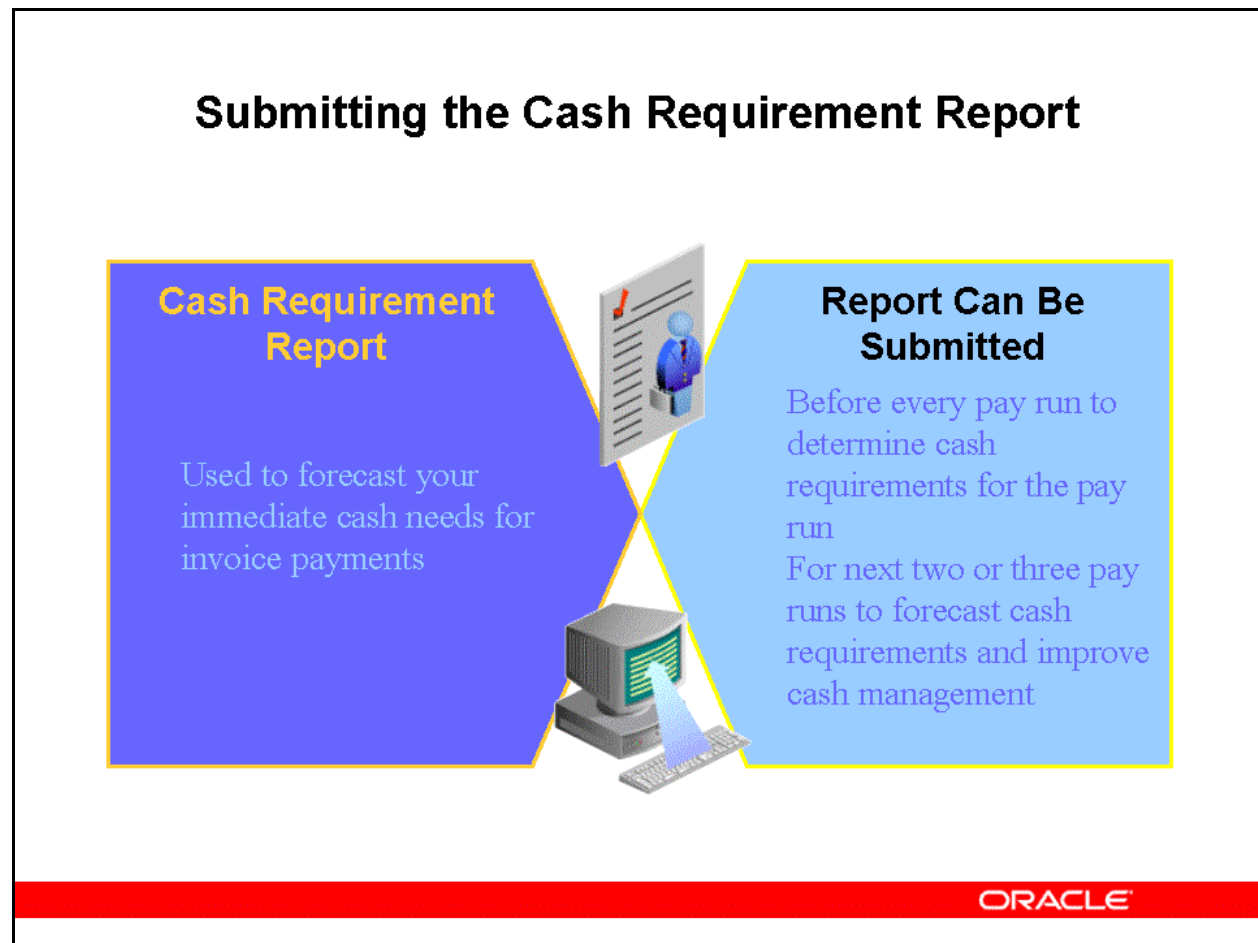
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### Specifying Validation Failure Criteria for the Payment Process Request Template

The graphic describes the validation failure criteria for Payment Process Request Template.

(N) Payments Manager > (T) Templates > Payment Process Request Templates > (B) Create > Create Payment Process Request Template > Validation Failure Results subtab

## Submitting the Cash Requirement Report



### Submitting the Cash Requirement Report

The graphic describes the Cash Requirement report.

To run the Cash Requirement Report, perform the following steps:

1. In the Payment Process Request Template page, query the payment process request template you want to use for the pay run.
2. For the appropriate template row, click the Run Cash Requirements Report icon to navigate to the 7-page concurrent request train for the Cash Requirement Report.

### Using the Cash Requirement Report

You can submit this report for a single currency or for all currencies. The report is ordered by currency and lists cumulative invoice totals in the invoice currency. The report provides, in your ledger currency, a sum of all invoices of each currency, and a sum of all invoices on the report. The report alerts you if any invoices in the currency are missing exchange rates.

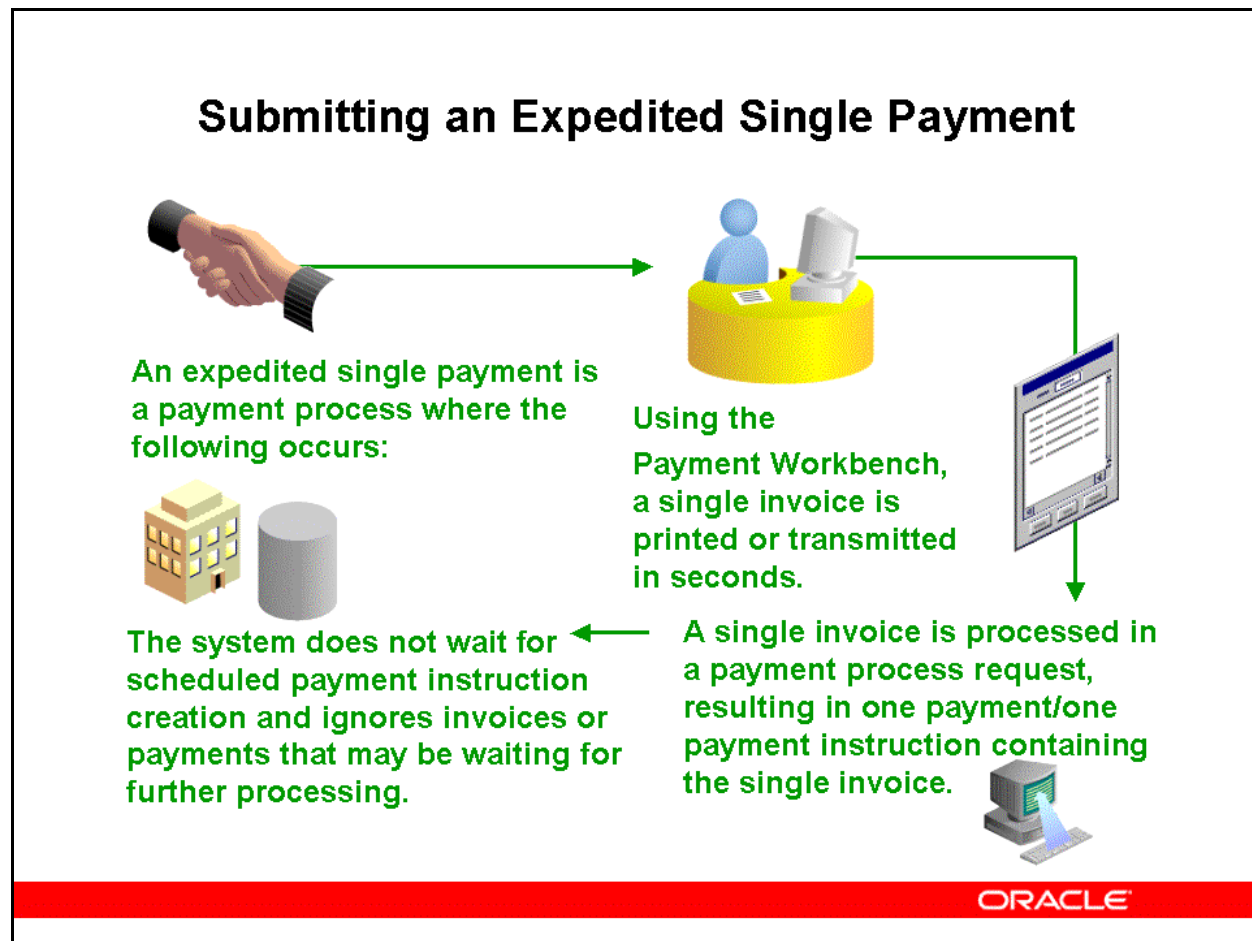
This report lists unpaid or partially paid invoices that match parameters you enter. The report does not include:

- Cancelled invoices
- Fully paid invoices

If you submit the Cash Requirement Report with No for the Summary Option parameter, the report lists all unpaid or partially paid invoices for a currency, by payment date and supplier name, starting with those invoices with the earliest due or discount date. Payables subtotals the amount due for each supplier and then for each payment date.

If you submit the Cash Requirement Report with Yes for the Summary Option parameter, the report lists the cash requirements by supplier for each currency and each payment date without displaying each invoice.

## Submitting an Expedited Single Payment



### Submitting an Expedited Single Payment

The graphic describes submitting an Expedited Single Payment.

Expedited single payment functionality is separate from the standard single payment process request. Expedited single payments include Manual payments, Quick payments, and Refunds. These expedited single payments are submitted from the Payments Workbench and do not stop for reviews. The payment process simply succeeds or fails.

Alternatively, if you use the standard single payment process request functionality, and you have only one invoice to pay, it proceeds through the normal payment process, possibly stopping along the way if specified, or joining other payments in a payment instruction.

### Submitting an Expedited, Single Quick, Manual, or Refund Payment

#### Prerequisites

Before you can submit an expedited, single Quick payment, Manual payment, or Refund, you must have:

- entered an associated invoice in the Invoice Workbench
- validated the associated invoice in the Invoice Workbench

Submit an Expedited Single Payment

1. Navigate to the Payments window in the Payment Workbench: Payments > Entry > Payments.
2. In the Type field of the Payments window, select Quick, Manual, or Refund
3. In the Trading Partner field, select a supplier from the list of values.
4. In the Supplier Site field, select a supplier site from the list of values.
5. In the Payment Date field, select a payment date from the calendar list of values.
6. In the Bank Account field, select a disbursement bank account from the list of values.
7. In the Payment Method field, select the payment method from the list of values.
8. If the payment method is Check, select a payment document (check stock) from the Payment Document field.
9. In the Payment Process Profile field, select the payment process profile from the list of values.
10. If the payment method is Electronic, select a Remit-To Bank Account Name and Remit-To Bank Account Number.

**Note:** Data defaults into the bottom region of the Payments page.

11. Click the Save icon in the toolbar.

12. Select Invoice to Pay or Refund to Make

Select the invoice to pay or refund to make as follows:

1. In the Payments window, click the Enter/Adjust Invoices button.

The Select Invoices window displays all invoices that are validated and ready to be paid.

**Note:** If you do not see your invoice in the Invoice Number list of values, return to the Invoice Workbench to ensure it is validated.

2. Select the check box to the left of the appropriate Invoice Number field.
3. Save.
4. Return to the Payments window. The invoice you selected in the Select Invoices window now appears in the lower region of the Payments window.

## Submitting a Standard Payment Process Request

### Submitting a Standard Payment Process Request

Using the Payments Manager, you can manage a large group of documents payable associated with:



multiple operating units  
multiple legal entities  
multiple currencies and pay groups  
multiple bank accounts  
different payment instruments

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### Submitting a Standard Payment Process Request

A standard payment process request typically contains multiple documents payable to be paid. These documents are processed in batch mode, where they are first built into payments and then the payments are built into payment instructions for final disbursement, whether by check or electronic transmission.

Payment setup enables pay runs to automatically derive the bank account and payment process profile for each invoice during processing, based on its payment method, operating unit, and currency.

#### Submitting a Standard Payment Process Request

1. In the Payments Manager, select the Payment Process Requests tab.
2. Click the Submit Single Request button.
3. In the header region, select a payment process request template to use for this payment process request from the list of values in the Use Template field. Data from the template defaults onto the payment process request.
4. Navigate through the subtabs, starting with the Scheduled Payment Selection Criteria subtab, and specify any changes.
5. In the user Rates subtab, specify user exchange rates, if necessary.



6. In the Processing subtab, the standard payment process request stops at any of the following points if they were selected in the Process Automation subtab when creating the payment process request template:
  - After invoices are selected, so you can review selected invoices
  - After payments are built, so you can review payments
  - After payments are built, so you can create payment instructions
7. Click the Submit button.

## Scheduling a Payment Process Request

### Scheduling a Payment Process Request

You can schedule a payment process request that selects invoices using a specific payment process request template, which will run:



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### Scheduling a Payment Process Request

When you click the Schedule Repeating Request button in the Payment Process Requests page of the Payment Process Requests tab, a concurrent program enables you to schedule a payment process request that selects invoices using a specific template, which will run as soon as possible, on a specific date and time, periodically, or only once.

1. In the Payments Manager module, select the Payment Process Requests tab.
2. Click the Schedule Repeating Request button.
3. Select a payment process request template to use, which defaults data from the template onto the payment process request.
4. Verify the defaulted Pay Through Date value and change it, if needed. Payables selects invoices with a discount or due date on or before this date. This date may need to be extended, for example, due to upcoming holidays that will delay the next normally scheduled pay run.
5. Specify a schedule, recurrence, and recipients who will receive notifications of the pay run, based on whether the request completes normally, with a warning, or does not complete and provides an error.
6. Determine whether to print and the number of copies needed.
7. Review your entries.

8. If all entries are correct, click the Submit button. The scheduled payment process request is assigned a Request ID number. Note the Request ID number so you can see whether it completes.

### Reviewing or Modifying Selected Invoices

By reviewing and modifying invoices that are selected for a pay run, you can:

- change the invoice amount or the discount taken
- remove selected invoices from the payment process request
- add selected invoices to the payment process request
- review unselected invoices
- recalculate interest, payment withholding, or exchange rates



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### Reviewing and Modifying Selected Invoices

To query the payment process request in the Payment Process Requests page:

1. Select the name of the request from the list of values in the Payment Process Request field.
2. Select Invoices Pending Review from the Status field list of values.
3. Click the Go button. The system displays payment process requests with statuses of Invoices Pending Review.

To view the status of the payment process request:

1. Click the Monitor Requests link under the Concurrent Requests region on the Home tab. The Requests page displays.
2. Click the Details icon of the appropriate Request ID to see whether the request completed with a status of Normal.

To review the invoices selected, perform one of the following steps:

- Click the Refresh Status button in the Today's Payment Process Requests region of the Payments Dashboard
- Click the Start Action icon in the Payment Process Requests page and the system navigates to the Payment Process Request Selected Scheduled Payments page.

To view invoices that were *not* selected by the payment process request, click the View Unselected button. The system navigates to the Payment Process Requests: Unselected Scheduled Payments page. Invoices are not included in a payment process request when they are not approved or they have not been validated. You can attempt to have the unselected invoices approved and validated so they can be added to the payment process request.

### **Adding Invoices to a Payment Process Request**

To add invoices to the payment process request in the Payment Process Request: Selected Scheduled Payments page:

1. Click the Add Scheduled Payments button. The Search and Select: Add Scheduled Payments page displays.
2. Choose the search criteria for the documents payables from the list of values and click the Go button.
3. Select the payment to add and click the Select button. The added scheduled payment appears in the Select Scheduled Payments region.

### **Removing Invoices from a Payment Process Request**

To remove invoices from the payment process request in the Payment Process Request: Selected Scheduled Payments page, perform the following steps:

1. Select the applicable scheduled payment.
2. Click the Remove from Request button.
3. Click the Submit button.

### **Recalculating Interest, Payment Withholding, or Exchange Rates**

The Payments Manager does not automatically calculate payment withholding or interest amounts. These calculations occur when you click the Submit button in the Payment Process Request: Select Scheduled Payments page.

If you change payment amounts after invoice selection, the values in the Interest Due and Total Amount Payable fields in the Payment Process Request: Selected Scheduled Payments page will be the same as the last calculation. If you want to see the recalculated interest due, withheld amount, or exchange rates, then you must click the Calculate button.

### **Reviewing Changes**

After you complete your modifications, you can review your changes in the Scheduled Payment Selection Report.

### Reviewing the Scheduled Payment Selection Report

The payment process request automatically initiates the Scheduled Payment Selection Report where you can review:

- invoices selected for a pay run
- invoice selection criteria
- immediate cash requirements for the pay run
- credits missed
- available prepayments
- unselected invoices



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### Reviewing the Scheduled Payment Selection Report

You can review the following in the Scheduled Payment Selection Report:

- credits missed to consider adding those to the pay run or dropping the associated invoices from the pay run
- available prepayments to consider removing applicable invoices from the pay run
- unselected invoices to determine if the payment process request template is selecting the right invoices and if invoices were not selected, whether to take action to add them to the pay run

## Reviewing Proposed Payments

### Reviewing Proposed Payments



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### Reviewing Proposed Payments

(N) Payments > Entry > Payments Manager> (T) Payment Process Requests

To review proposed payments:

1. In the Status field, select Pending Proposed Payment Review from the list of values.
2. Click the Go button. The Review Proposed Payments: Payment Process Request <name> page displays.

If you optionally configured the pay run to stop after the creation of proposed payments, the payment process request completes with the status Pending Proposed Payment Review in the Payment Process Requests page. This page also displays the count for documents that were rejected during payment creation. Clicking the Start Action icon navigates you to the Review Proposed Payments: Payment Process Request <name> page to review the proposed payments.

After reviewing the proposed payments, you can submit the payment build process by selecting the Run Payment Process from the Actions drop-down list.

By clicking on the payment process request link in the Payment Process Request page, you can drill down to view payment details in the Payment Process Request: <name> page. You can view the number of payments, documents, and total payment amount per currency. Individual payments are also listed, along with organization and other payment

information. By selecting the radio button of a particular payment, you can view the scheduled invoices that are included in that payment.

To see the details for scheduled documents or payments that were rejected or removed from the pay run, click the Rejected and Removed Items button in the Payment Process Request <name> page to navigate to the Rejected and Removed Items: <name> page. This page lists the rejected documents payables or payments. By clicking on the Reference Number link, you can view the details of the document or payment and the reason it was rejected.



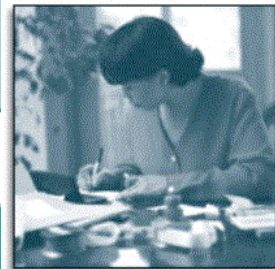
## Building Payments

### Building Payments

After you submit a payment process request, the Build Payments program groups invoices together to build payments.

**The Build Payments Program:**

- validates invoice information required for payment
- groups invoices into payments
- assigns disbursement bank accounts and payment process profiles to the payments
- validates the payments



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### Building Payments

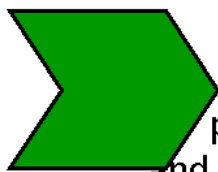
Documents payable are grouped into the same payment only if they have the same:

- payment process profile
- payment method
- payment format

Grouping rules in the payment process profile can further help you control which invoices are grouped together.

### Creating Payment Instructions Overview

A payment instruction is a group of payments that is created from one or more payment process requests. This information is formatted and, depending on your setup, is converted to a payment file that is:



-- printed onto in-house checks

-- transmitted to a financial institution or payment system for further processing and disbursement

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### Creating Payment Instructions Overview

(N) Payments > Entry > Payments Manager > (B) Payment Instructions

A payment instruction is created by running the Create Payment Instructions program. Payment instructions are created automatically by the system or you can submit the request manually, depending upon which one of two options you selected in the Create Payment Instructions drop-down list within the Process Automation subtab while creating a payment process request template. The two options are: Initiate When Payment Process Request is Complete (automatic) or Wait for Standard Request Submission (manual).

In the Payment Instructions page, select a payment instruction status from the Status field and click the Go button. The results display in the Search region.

To take action on a specific payment instruction, click the Take Action icon for the applicable row, which automatically takes you to the appropriate page for taking further action.

#### Create Payment Instructions Program

After scheduled invoices are grouped into payments, the Create Payment Instructions program picks up these payments and, based on the definitions of the payment process profile and bank account of each payment, formats the payments into payment instructions.

For example, from one payment process request, the system might create:

- one payment instruction for printing a set of in-house checks

- a second payment instruction that is transmitted electronically to the bank for processing

**Grouping Rules**

Depending on setup grouping rules, payments in different payment process requests can be built into a single payment instruction. Grouping rules are specified in the Payment Grouping region of the Create Payment Process Profile page.

## Creating and Transmitting Electronic Payment Instructions

### Creating and Transmitting Electronic Payment Instructions

Payment instructions are a collection of payments that are created by one of the following ways:

- created automatically by the Create Payment Instructions program
- created after manual submission by you



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### Creating and Transmitting Electronic Payment Instructions

Electronic payment instructions are transmitted to a payment system automatically or it is deferred, based on the setup of the payment process profile. If electronic payment instructions are not automatically transmitted, you must manually initiate the transmission by using the Transmit Payment Instruction page.

#### Manually Creating Electronic Payment Instructions

To manually create electronic payment instructions, perform the following steps.

1. In the Payments Manager, select the Home tab and click the Create Electronic Payment Instructions link under the Shortcuts region. The Schedule Request: Name page displays, which is the first page of a 7-page concurrent program. As you navigate through the pages, you specify criteria for electronic payments. Selection criteria can include:
  - Payment process profile
  - Payment currency
  - Internal bank account from which funds are drawn
  - Source of selected payments, such as source product, payment process request, legal entity, organization, or organization type

2. When you finish reviewing the final page and click the Submit button, the request to create an electronic payment instruction is submitted and identified with a Request ID number. You can monitor the status of your request by clicking the Monitor Requests link on the Home tab of the Payments Dashboard.

### **Payment File**

Each payment instruction that is electronically transmitted to a payment system or financial institution is associated with a payment file. This payment file contains data that tells the bank or payment system how to make the payment. The following information is typically included in electronically transmitted payment files:

- number of payments to be made
- amount of each payment
- first party payer and third party payee bank account information
- name of payees

### **Transmitting an Electronic Payment Instruction Manually**

To transmit an electronic payment instruction manually, perform the following steps:

1. In the Payments Manager, select the Payment Instructions tab.
2. In the Status field of the Search region, select Formatted – Ready for Transmission and click the Go button.
3. For the applicable payment instruction, click the Take Action icon. The Transmit Payment Instruction: <number> page displays.
4. In the Actions drop-down list, select Transmit, and click the Go button.

### Creating and Printing Printed Payment Instructions

Payment instructions are a collection of payments that are created by one of the following ways:

- created automatically by the Create Payment Instructions program
- created after manual submission by you



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### Creating and Printing Printed Payment Instructions

Setup of the payment process profile enables you to choose whether printed payment instructions are automatically printed onto checks after they are formatted by the system.

If payment instructions are not automatically printed onto checks, you must submit them manually for printing by using the Print Payment Documents: Payment Instruction <Number> page.

#### Manually Creating Printed Payment Instructions

To manually create printed payment instructions:

1. In the Payments Manager, select the Home tab and click the Create Printed Payment Instructions link under the Shortcuts region. The Schedule Request: Name page appears, which is the first page of a 7-page concurrent program. As you navigate through the pages, you specify criteria for printing. Selection criteria can include:
  - payment process profile
  - payment currency
  - internal bank account from which funds are drawn
  - payment document (check stock) on which to print

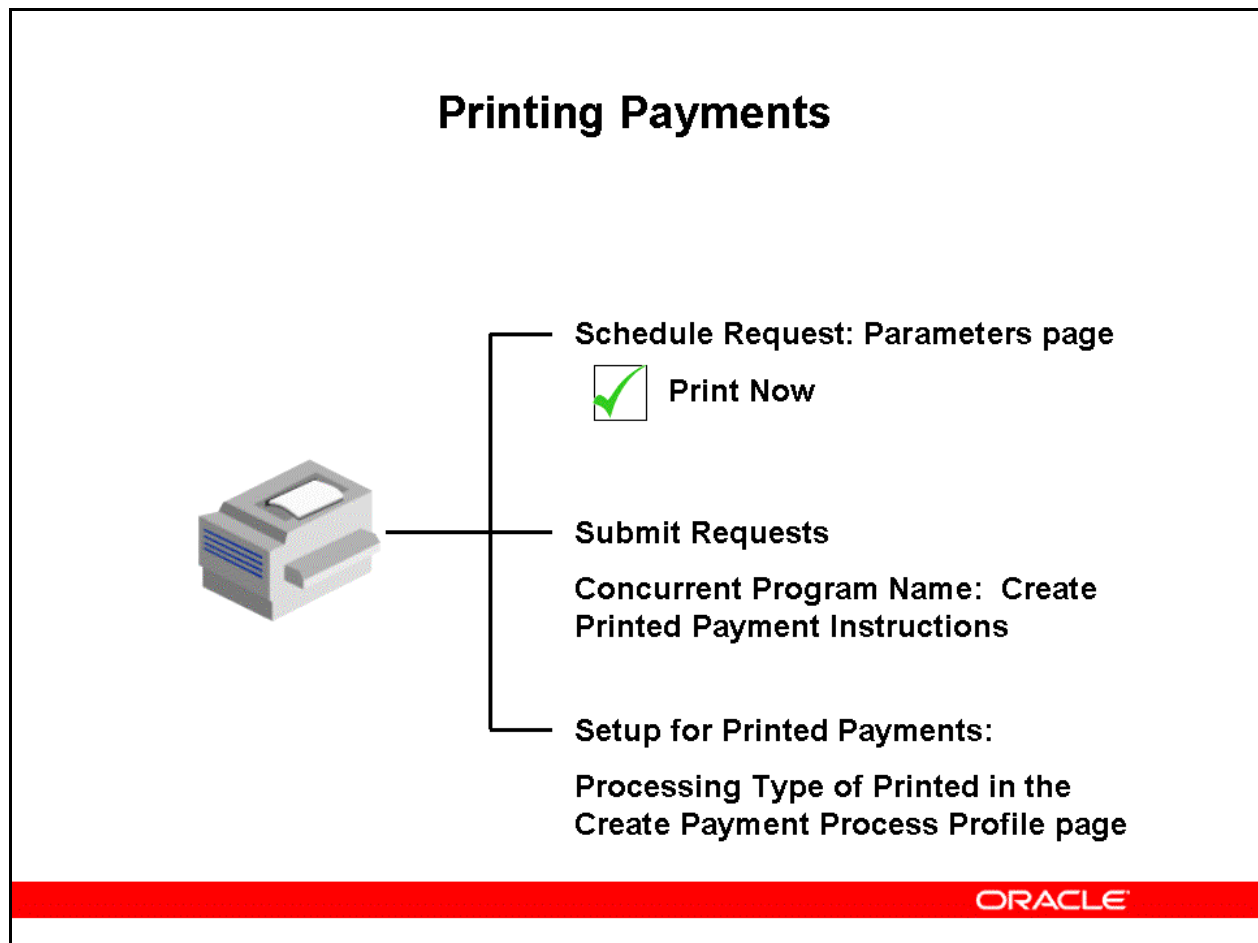
- source of selected payments, such as source product, payment process request, legal entity, organization, or organization type
- 2. When you finish reviewing the final page and click the Submit button, the request to create a printed payment instruction is submitted and identified with a Request ID number. You can monitor the status of your request by clicking the Monitor Requests link on the Home tab of the Payments Dashboard.

### **Printing a Printed Payment Instruction Manually**

To print a printed payment instruction manually:

1. In the Payments Manager, select the Payment Instructions tab.
2. In the Status field of the Search region, select Formatted – Ready for Printing and click the Go button.
3. For the applicable payment instruction, click the Take Action icon. The Print Payment Documents: Payment Instruction: <Number> page displays.
4. To print checks, click whichever button is enabled: Print or Format and Print.

## Printing Payments



### Printing Payments

The graphic describes printing payments.

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Payment Process Profiles

#### Setting Up Printed Payments in the Payment Process Profile

1. In the Processing Type drop-down list, select Printed.
2. Select the payment document you want the printer to use for printing payments by selecting an option from the Default Payment Document list of values.
3. If you want to send the printed payment instructions to a file, rather than to a printer, select the Send to File radio button.
4. Alternatively, if you want to send the printed payment instructions to a printer for printing payments onto checks, for example, select the Send to Printer radio button.
5. If you want the printer to automatically print payments onto checks after the system formats the printed payment instructions, select the Automatically Print after Formatting check box.
6. Select a default printer from the Default Printer list of values.

#### Querying Printed Payment Instructions



You can query previously submitted printed payment instructions in the Search region of the Payment Instructions page within the Payment Instructions tab.

If you specified No in the Print Now field when you created the printed payment instruction using the 7-page concurrent program, the printed payment instruction status will be Formatted–Ready for Printing. In the Status field of the Search region in the Payment Instructions page, select Formatted–Ready for Printing from the list of values and click the Go button.

### **Printing Payments**

To navigate to the Print Payment Documents: Payment Instruction <Number> page, click the Take Action icon of the applicable printed payment instruction.

1. In the Printer field, select the appropriate printer from the list of values.
2. To print the printed payment instructions onto checks, click the Print button.

**Note:** If you did not select the Automatically Print after Formatting check box in the Create Payment Process Profile page during setup, you will see and click the Format and Print button rather than the Print button.

## Reprinting Payment Documents

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### Reprinting Payment Documents

If you find no problems with the initial print run, you can record the print status of your payment documents.

If, after printing has been submitted, you discover printing problems and wish to reprint particular payment documents or even the complete payment instructions, you can reprint:

- individual payment documents
- ranges of payment documents
- the complete payment instruction

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### Reprinting Payment Documents

Responsibility: Oracle Payments Payment Administrator

(N) Funds Disbursement Process Home > Funds Disbursement Process Home page

#### Prerequisites:

- Print the printed payment instructions.
- Visually inspect whether the checks printed accurately.

**Warning:** You can reprint the complete payment instructions only if the initial print run has not started. Do not reprint the complete payment instruction if the initial printing attempt resulted in one or more checks printing successfully.

If you reprint the entire payment instructions after successfully printing one or more payment documents, the numbering on the prenumbered payment documents may be incorrect. If printing did commence, but you need to reprint every payment document in the payment instructions, choose to reprint a range of payment documents and enter the first and last documents in the payment instruction as the range.

### Reprinting Payment Documents

The Reprint Payment Documents page enables the you to:

- select payment documents to reprint

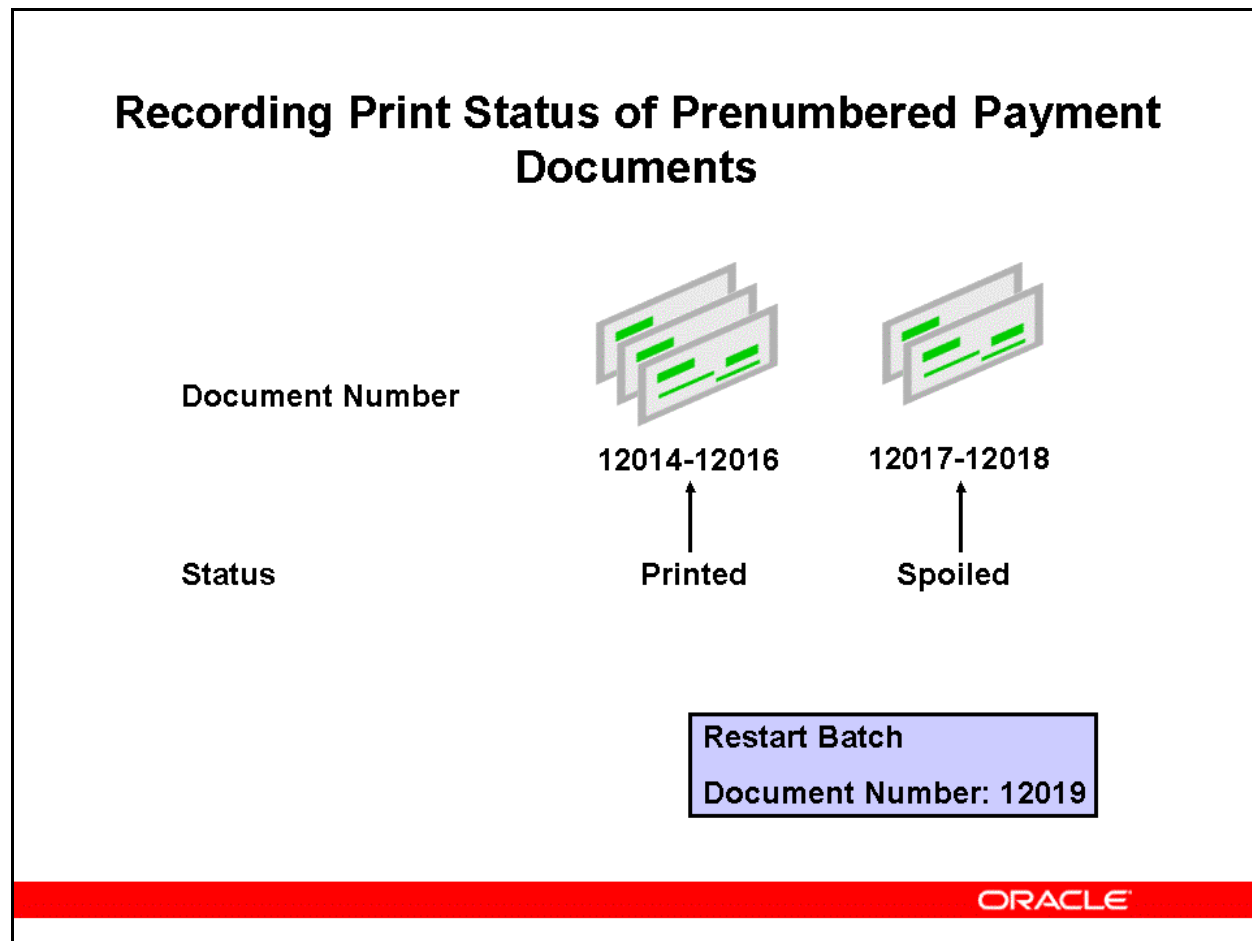
- provide information on beginning the reprint, which includes overriding the default printer
- review the payment document selection to be reprinted

To reprint payment documents:

1. From the Funds Disbursement Process Home page, click the Take Action icon for the appropriate printed payment instructions with a status of Submitted for Printing.
2. Click the Reprint button.
3. From the Action drop-down list, select the appropriate reprint option:
  - Reprint Individual Payment Documents
  - Reprint Range of Payment documents
  - Reprint the Complete Payment Instruction

**Note:** Those payment documents that are selected for reprint are automatically marked as Spoiled. Because payment document numbers cannot be reused for prenumbered payment documents, reprinting on prenumbered payment documents requires you to provide the first document number for the reprints. The system can then correctly renumber the payments.

## Recording Print Status of Prenumbered Payment Documents



### Recording Print Status of Prenumbered Payment Documents

The graphic describes recording print status of prenumbered payment documents.

(N) Payments > Entry > Payments Manager > (T) Payment Instructions

Since the actual printing of payment documents occurs outside of Oracle Applications and has many potential failure points, Payables does not know the outcome of printing or reprinting payment documents. Consequently, you must provide that information through the Record Print Status page. This page enables you to update the print statuses by marking payment documents as:

- Printed
- Spoiled
- Skipped

**Note:** Only prenumbered payment documents can be marked as Skipped.

### Recording Print Status of Prenumbered Payment Documents

To record the print status of prenumbered payment documents, perform the following steps:

1. In the Status field of the Search region in the Payment Instructions page within the Payment Instructions tab, select Submitted for Printing from the list of values and click the Go button.

2. Click the Take Action icon of the applicable printed payment instruction to navigate to the page containing details about the applicable payment instruction.
3. Click the Record Print Status button to navigate to the Record Print Status: Payment Instruction <Number> page.

**Note:** By default, all payment documents are initially displayed as Printed.

4. In the Record Spoiled Payment Documents region, enter spoiled documents and click the Update Print Status button.
5. In the Record Skipped Payment Documents region, enter skipped documents and click the Update Print Status button.
6. The Record Print Status page also enables you to choose whether to submit the Positive Pay program immediately after you finish recording the print status, if the applicable setup enables the choice. The program creates a positive pay file, formats it, and transmits it electronically to your bank. This prevents check fraud by informing the bank which payment documents are issued and for what amount.

**Important:** Do not confirm all print statuses unless you are sure that all documents with the status of Printed were successfully printed. When you click the Apply button, the payments are marked as complete and the payment documents are recorded as Printed. If you take this action and discover printing errors, you must void the payment and select the documents to be paid in a new payment process.

Each document will have one of five statuses:

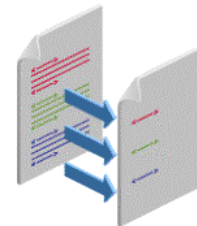
- **Setup:** Payments automatically displays the setup checks used to align your printer.
- **Printed:** The documents printed properly.
- **Skipped:** The printer skipped over these documents and nothing printed on them. You can reuse these documents for single payments.
- **Spoiled:** The printer malfunctioned (jammed or missed a check) and ruined these documents, so you cannot reuse them. Documents may also be spoiled if the wrong payment document was used. Payments automatically voids these documents when you record them as spoiled.
- **Overflow:** You may have check overflow, a situation where there are more invoices paid by a check than can fit on the remittance advice of one check. All the documents are displayed on the payment table, and should be marked accordingly.

## Marking Payments Complete

### Marking Payments Complete

When printed and electronic payments are complete, source products are notified so they can perform any necessary accounting actions. Printed and electronic payments are considered complete as follows:

- Printed payments are complete when payment documents are recorded as Printed.
- Electronic payments are automatically or manually marked complete at points specified during the setup of payment process profiles.



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### Marking Payments Complete

#### Marking Electronic Payments Complete Automatically

For electronic payments, determining the point at which a payment is considered complete is complex and depends on the first party payer's business practices, as well as on what notification (acknowledgement and clearing) the payer's payment system supports. An electronic payment can be considered complete any time after formatting.

#### Marking Electronic Payments Complete Manually

1. In the Oracle Payments Payment Administrator responsibility, navigate to the Funds Disbursement Process Home page.
2. Under the Payment Processes region, select the View of Electronic Payment Instructions Not Marked Complete from the drop-down list.
3. Click the Go button.
4. Click the Mark Payments Complete icon for an electronic payment instruction with any of the following statuses:
  - Formatted
  - Formatted - Ready for Transmission
  - Transmitted

- Transmission Failed

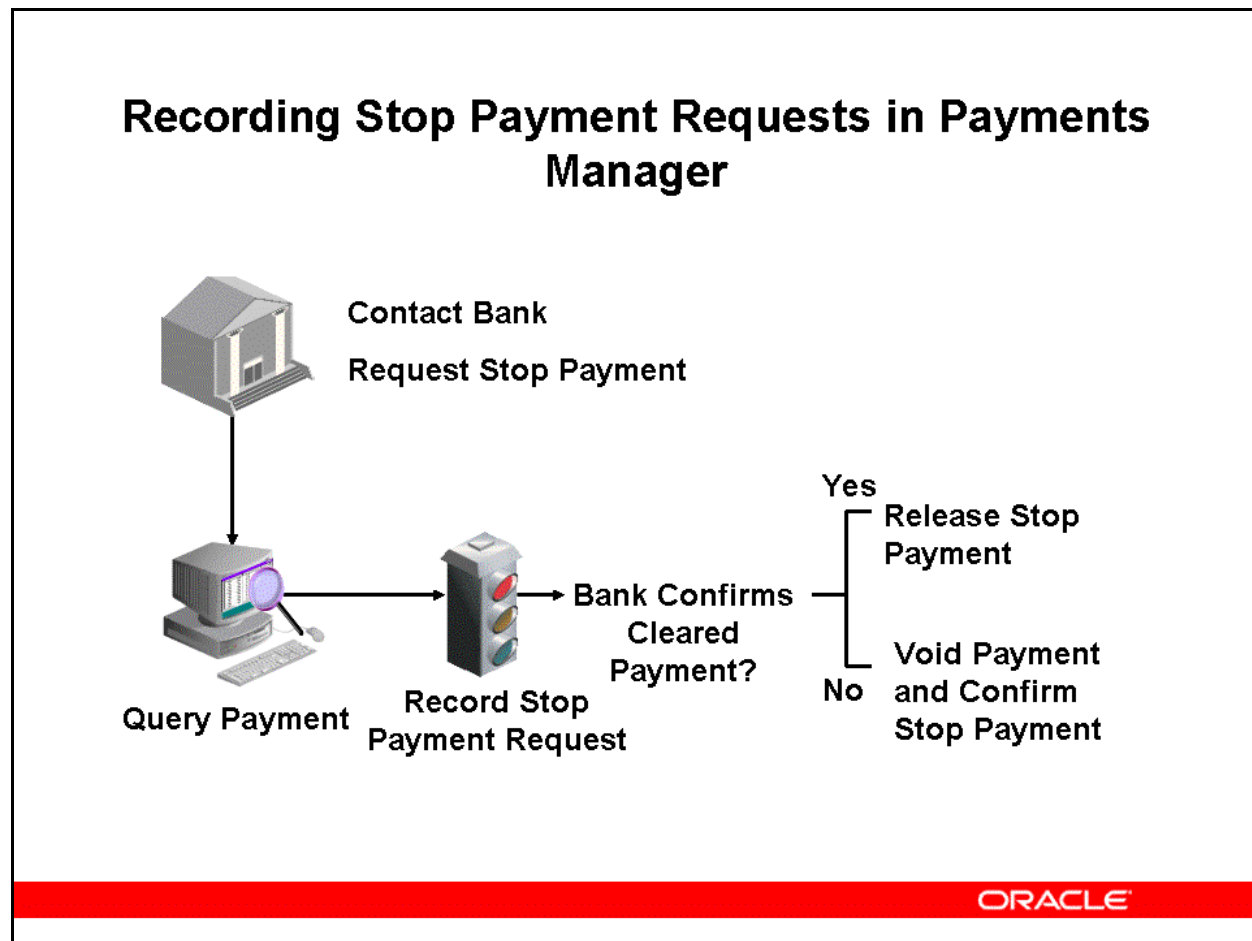
**Note:** This view only shows payment instructions whose payment process profiles have the Allow Manual Setting of Payment Completion check box selected.

### **Marking Payments Complete**

Once the payments in a payment instruction have been marked complete by clicking the Apply button in the Mark Payments Complete page, the source product is notified that the payments are complete. Simultaneously, the payment instruction can no longer be terminated. Instead, if there are any problems with the payments, they must be voided. The Terminate Payment Process action, therefore, does not appear on any page that displays in the context of a payment instruction whose payments have been marked complete.

**Note:** You must mark all the payments in a payment instruction as complete. Partial marking of payments in a payment instruction is not supported.

## Recording Stop Payment Requests in Payments Manager



### Recording Stop Payment Requests in Payments Manager

The graphic describes recording stop payment requests in Payment Manager.

If a paper or electronic payment has left your company, and you determine that a payment needs to be stopped, contact the bank and request a stop payment. Then record the stop payment request in the Record Stop Payment Request: Payment <Number> page.

**Note:** Communication with payment systems regarding stop payments is not supported.

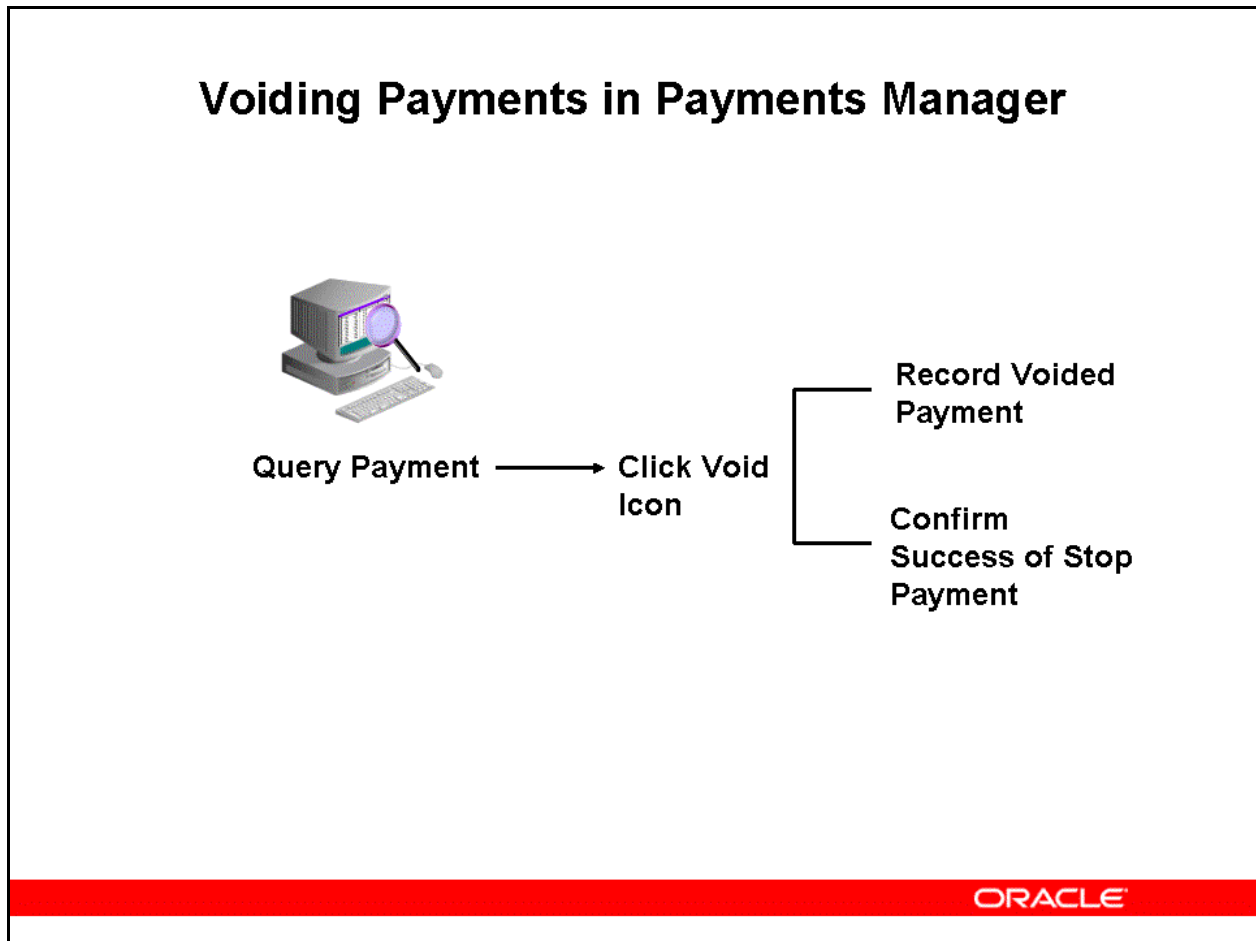
#### Recording a Stop Payment Request

1. In the Payments Manager, select the Payments tab.
2. In the Simple Search region of the Payments page, search for the payment for which you want to record a stop payment request.
3. Click the Stop Actions icon in the applicable payment row.
4. Enter stop payment request data in the following fields:
  - Date
  - Reason
  - Reference, which is an identifier provided by the bank, for the stop payment request



5. Click Apply. When the bank calls you with the status of the check, navigate to the Resolve Stop Payment Request: Payment <Number> page and select:
  - Confirm if the check was not paid to confirm that the stop payment request was successful
    - The system automatically voids the payment if it has been marked complete
    - The system removes the payment from its payment instruction if it has not been marked complete
  - Release if the check was paid to record release of the stop payment request. The check proceeds normally.

## Voiding Payments in Payments Manager



### Voiding Payments in Payments Manager

The graphic describes voiding Payments.

**Note:** Since you cannot reverse a voided payment, it is advisable to have one of the following before you record a payment as void:

- the paper document you want to void in your possession
- proof that the paper document has not cleared the bank or has been destroyed

**Note:** If the payment you want to void contains multiple invoices, you may also want to review the invoices paid by that payment before you void it, to ensure that you are voiding the correct payment.

#### Voiding Payments

If the check never left your company, void the payment instead of requesting a stop payment from the bank and recording the request for stop payment.

**Note:** It is recommended that you alter, in some appropriate manner, the check you're voiding.

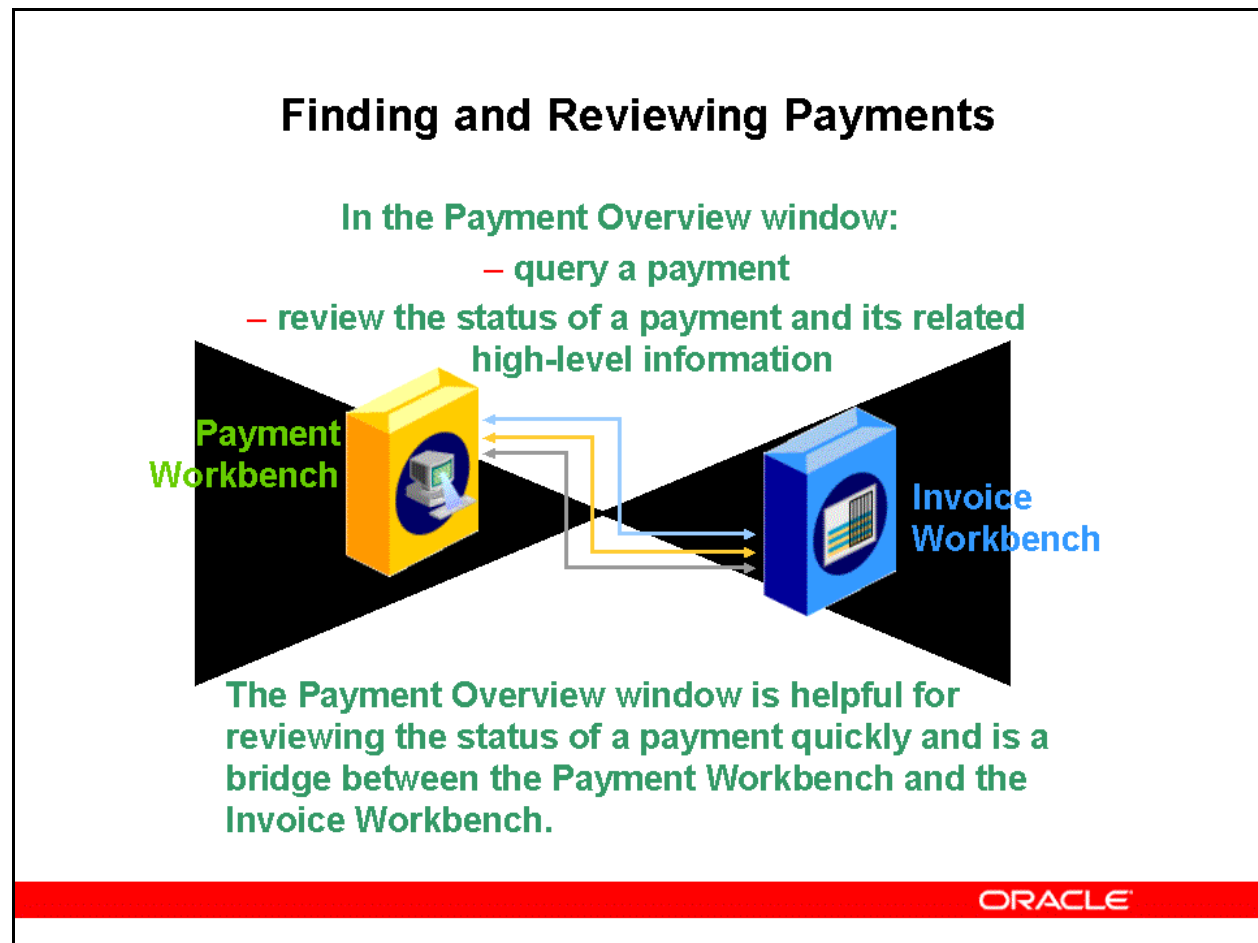
To void a payment, perform the following steps:

1. In the Payments Manager, select the Payments tab.
2. On the Payments page in the Simple Search region, search for the paper document or payment you want to void by entering the appropriate value in the Paper Document

Number field or the Payment Reference Number field and click the Go button. The search results display.

3. Click the Void icon in the applicable row on the Payments page. The Void Payment page appears.
4. In the Date field, select a void date for the payment.
5. In the Reason field, enter a reason for the voided payment.
6. Click Apply.

## Finding and Reviewing Payments



### Finding and Reviewing Payments

The graphic describes finding and reviewing Payments.

(N) Payments > Inquiry > Payment Overview

#### Finding a Payment

1. Enter criteria directly into the fields of the Find Payments window. You can enter complex criteria by entering information in several fields.
2. Choose Find to navigate to the Payment Overview window where Payables displays all payments that match your criteria. If your query retrieves more than one payment, Payables orders and displays queried payments in numerical order based on the payment number. To see the next queried payment, choose [Next Screen].

#### Reviewing Payments Using the Payments Window

Use the Payments window to:

- enter complex query criteria and review multiple payments
- review high-level payment information for a single payment, such as quickly reviewing the invoices paid by a payment
- determine if a particular payment has cleared your bank

#### Reviewing Payments in the Payments Manager

You can review complete details about the payments in the Payments Manager, such as the invoices each payment paid, clearing information, and bank information.

### Updating Payments Using the Payment Window

You can use the Payments window to:

- adjust selected invoices for Manual payments
- update Manual payment addresses

You cannot perform the following update payment actions:

- adjust a Manual payment used to pay a prepayment that was applied to an invoice
- make any changes to cleared or voided payments
- make adjustments to selected invoices on matured bills payable if accounting exists for the maturity event

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### Updating Payments Using the Payment Window

#### Adjusting Selected Invoices for Manual Payments

You can change the invoices you select for a Manual payment at any time. For example, you may have accidentally selected the wrong invoice when you first recorded the Manual payment.

#### Prerequisite

If the payment has cleared, unclear it first. You cannot adjust invoices on a cleared payment.

#### Adjusting Invoices Selected for a Manual Payment

1. Find the payment by using the Payments Overview window, or by opening the Payments window in entry mode and querying the payment.
2. In the Payments window, select the payment and choose the Enter/Adjust Invoices button to navigate to the Select Invoices window.
3. Select the invoices you had associated with the payment by mistake, and choose the Reverse Payment button. Payables creates a negative line for each invoice you selected.
4. Enter each invoice you want to pay with the Manual payment in a new row. The sum of the invoice Payment Amounts must equal the Payment Amount you entered for the

Manual payment. If you want to see detailed information about an invoice, select the invoice and choose Invoice Overview.

5. To reset the status of the reversed invoices to Unpaid and the selected invoices as Paid by the Manual payment, save your work.

### **Updating Manual Payment Addresses**

You may need to update an address for a Manual payment if you originally recorded an incorrect address.

#### **Prerequisite**

Enable the Allow Address Change option in the Single Payment region of the Payment tab within the Payables Options window.

To update the address on a Manual payment:

1. Find the payment online.
2. Adjust the address in the Payments window.

### Processing Refunds

When a supplier or employee sends you a refund for an invoice payment you have made, you can record the refund. A refund closes an outstanding credit balance, so you are actually making a negative payment for a credit balance.

The credit balance can consist of the outstanding balance of any combination of the following documents, as long as the sum is negative and equals the refund amount:

- Invoices
- Debit memos
- Credit memos
- Expense report

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### Processing Refunds

Paying these documents with a refund records each document as paid, and gives you a complete supplier transaction history.

#### Example

Suppose you want to stop doing business with a supplier. You have an overall \$100 credit balance with the supplier. The supplier sends you a \$100 refund for the credit balance, which consists of a credit memo of \$250 and an unpaid invoice of \$150. You enter a \$100 refund (a \$100 negative payment), and apply it to the invoice and credit memo.

After you apply the refund, the invoice and credit memo are recorded as paid, and you have no outstanding documents for the supplier.

#### Impact of Recording a Refund

When you record a refund, Payables debits your cash or cash clearing account and credits your expense or liability account, depending on whether you use cash or accrual accounting. You can take discounts on payables documents you pay with a refund.

**Note:** If you withhold taxes at payment time, Payables does not automatically withhold taxes if you pay with a refund.



### Entering Refunds

The Payments window is used to record a refund payment for one or more outstanding Payables documents. This enables you to close an open credit balance and maintain a full transaction history for the supplier.



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### Entering Refunds

The sum of the documents you select must:

- equal the amount of the refund
- be in the same currency as the refund currency

You can identify negative supplier balances by submitting the Accounts Payable Trial Balance Report with the parameter Negative Balances Only set to Yes.

## Recording Refunds for Invoices When a Credit Balance Exists

### Recording Refunds for Invoices When a Credit Balance Exists

You pay debit balance with refunds in the Payments window. If you know the credit or debit memo you want to pay, you can query it in the Invoices window, select the Scheduled Payments tab, and then choose the Pay button.



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### Recording Refunds for Invoices When a Credit Balance Exists

#### Prerequisites

- Set up the bank account in which you will deposit the refund. This can be the same bank account you use to make payments.
- Set up the appropriate cash account.
- If applicable, set up a cash clearing account.

#### Recording a Refund When a Credit Balance Exists

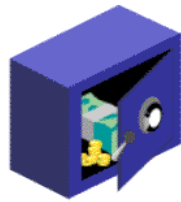
1. In the Payments window, enter a negative value in the Payment Amount field. Trading Partner, Bank Account, Payment Date, Payment Method, and Document Number are required fields.
2. Enter any other relevant information.
3. Click the Enter/Adjust Invoices button. The Select Invoices window opens.
4. Query the supplier's unpaid or partially paid invoices that are in the same payment currency as the refund currency.
5. Select any combination of positive and negative amount invoices.
6. For each invoice, enter the amount that you want to pay with the refund.
7. To see additional information about any invoice, choose the Invoice Overview button.

8. Save your work. Payables records the refund and updates the status of each selected invoice to Paid.

### Refunds for Prepayments

You may receive refunds from suppliers for prepayments you have made to them, such as a refund for a deposit or repayment of a travel advance.

If you receive a refund for a prepayment, enter an invoice and apply the prepayment to it. Enter a debit memo for the invoice. You can then pay the debit memo with the refund.



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### Refunds for Prepayments

### Voiding Refunds

You can void a recorded refund just as you void any other payment. Select the refund in the Payments window, choose the Actions button, and use the Void option in the Payment Actions window.

You can then re-enter the refund and pay any open invoices or prepayments for the supplier.



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#### Note

This feature does not integrate with Oracle Receivables or other receivables systems.

## Canceling Payment Process Requests in the Payments Manager

### Canceling Payment Process Requests in the Payments Manager

In the Payment Process Request: Selected Scheduled Payments page, click the Terminate Request button.

You can cancel a request for invoice selection by taking one of these actions in the Payment Process Requests tab of the Payments Manager.

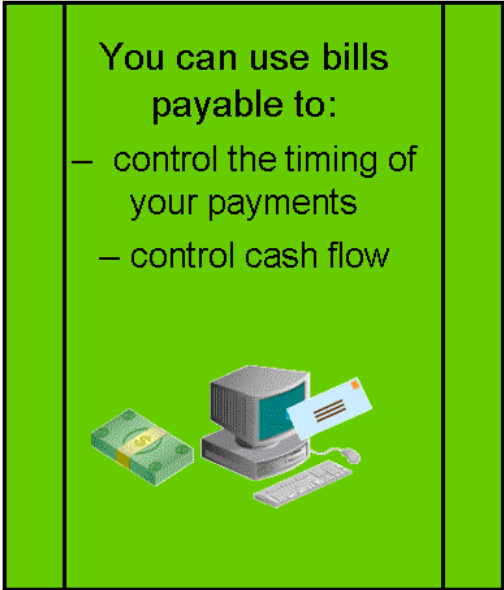
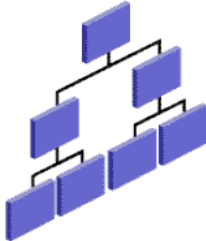
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### Canceling Payment Process Requests in the Payments Manager

The graphic describes canceling Payment Process Requests.

### Bills Payable Overview

Formerly known as a future dated payment, bills payable instruct your bank to disburse funds to your supplier's bank on a specific date, known as the maturity date.



You can use bills payable to:

- control the timing of your payments
- control cash flow

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### Bills Payable Overview

The graphic describes Bills Payable overview.

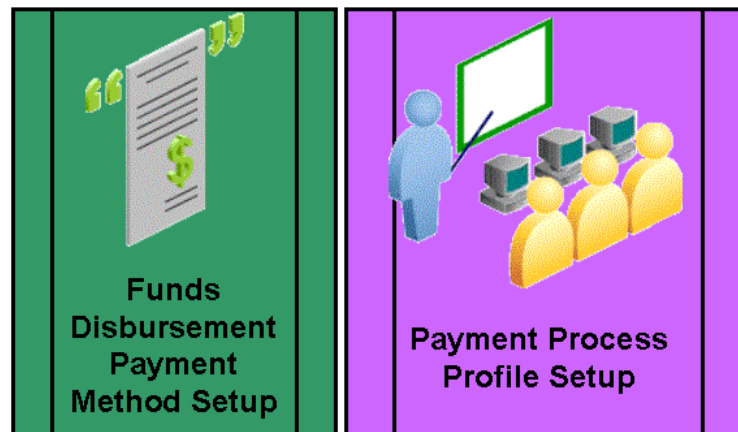
Other commonly used terms for this type of payment are:

- Notes payable
- Promissory notes

## Setting Up Bills Payable

### Setting Up Bills Payable

To use bills payable in Payables, you must perform the following setups:



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### Setting Up Bills Payable

The graphic describes setting up Bills Payable.

The following setups must be done to use bills payable in Payables.

#### Funds Disbursement Payment Method Setup

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Funds Disbursement Setup > Click Go To Task icon for Payment Methods > Payment Methods page

1. Click the Create button. The Create Payment Method: General page appears.
2. In the Bills Payable region, select the Use Payment Method to Issue Bills Payable check box. When you enable this check box, the payment method is used only for creating bills payable.
3. In the Maturity Date Override field, specify the number of days to add to the payment date to determine the maturity date.

**Note:** Payments created with a bills payable payment method will have a maturity date that is based on the earliest available discount or due date when the payment is created. You can optionally override this calculation by entering a value for the number of days in the Maturity Date Override field. The maturity date is then calculated by adding that number of days to the payment date.



## **Payment Process Profile Setup**

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Funds Disbursement Setup > Click Go To Task icon for Payment Process Profile > Payment Process Profiles page

To ensure that a payment instruction contains only bills payable:

1. Click the Create button. The Create Payment Process Profile page appears.
2. In the Payment Grouping region, select the Bills Payable check box so only bills payable will be grouped into a single payment instruction.

## Prepayments Overview

---

### Prepayments Overview

A prepayment is a type of invoice you enter to make an advance payment to a supplier or employee.

For example, you need to pay a deposit on a lease, or pay an employee an advance for travel expenses.

You can later apply the prepayment to one or more invoices or expense reports you receive from the supplier or employee to offset the amount paid to them.



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### Prepayments Overview

A supplier might send an invoice that references a prepayment. If a supplier reduces the invoice amount by the amount of the prepayment and associated tax, you can use the Prepayment on Invoice feature to enter the invoice.

You can enter two types of prepayments: Temporary and Permanent.

#### Temporary Prepayments

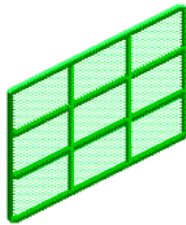
Temporary prepayments can be applied to invoices or expense reports you receive. For example, you use a Temporary prepayment to pay a hotel a catering deposit. When the hotel's invoice arrives, apply the prepayment to the invoice to reduce the invoice amount you pay.

#### Permanent Prepayments

Permanent prepayments cannot be applied to invoices. For example, you use a Permanent prepayment to pay a lease deposit for which you do not expect to be invoiced.

### Entering Prepayments

You can enter a Prepayment type invoice only in the Invoices window. You cannot enter a Prepayment type invoice in the Quick Invoices window.



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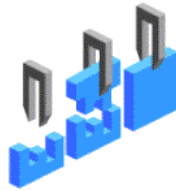
### Entering Prepayments

### **Applying and Releasing Holds on Prepayments**

To prevent payment of a prepayment, you can apply one or more holds to the prepayment or you can hold the scheduled payment.

You apply these holds as you would for any other invoice.

You release holds from a prepayment just as you would for any other invoice.

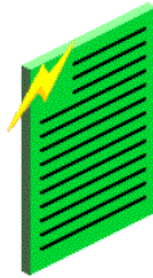


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### **Applying and Releasing Holds on Prepayments**

### **Applying Prepayments to Invoices and Expense Reports**

You can apply the available amount of Item type distributions from a Temporary type prepayment to one or more invoices to offset the amount you pay on the invoices.



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### **Applying Prepayments to Invoices and Expense Reports**

Pay a prepayment just as you would any other invoice. However, you cannot partially pay a prepayment; you must fully pay it. You must fully pay a prepayment before you can apply the prepayment to an invoice.

If you entered the prepayment as a Permanent type and want to apply it, you can query the prepayment in the Invoices window and change the Prepayment Type to Temporary.

If you use Automatic Offsets then your setting for the Prevent Prepayment Application Across Balancing Segments Payables option controls whether you can apply a prepayment to an invoice or expense report with a different balancing segment.

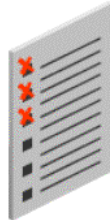
### Canceling Prepayments

You can cancel prepayments if one of the following is true:

- they have not been paid
- they have not been applied to invoices

To cancel an applied prepayment, you must:

- unapply the prepayment
- void the payment document that paid the prepayment



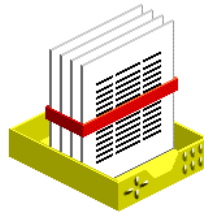
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### Canceling Prepayments

## Reconciling Payments with Cash Management

### Reconciling Payments with Cash Management

With Oracle Cash Management, you can reconcile payments created in Payables to your bank statements. When you reconcile payments using Oracle Cash Management, Cash Management updates the status of payments to Reconciled.



#### Oracle Cash Management

Reconciles payments from Payables.

Updates status of reconciled payments.

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### Reconciling Payments with Cash Management

If you enable the Account for Payment When Payment Clears option in the Payables Options window, Accounting Option tab, the following accounting events generate reconciliation accounting entries when you submit the Create Accounting process:

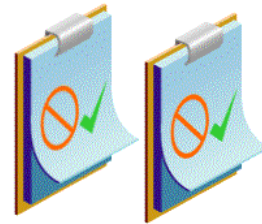
- The delay in the bank clearing of payments from the time of issuance to the time of reconciliation
- Differences between the original payment amount and the cleared payment amount due to exchange rate fluctuations, bank charges, or bank errors
- Reconciled payments
- Unreconciled payments

**Important:** You can reconcile foreign currency payments that have no exchange rates. However, Oracle Subledger Accounting will not create reconciliation accounting entries. If you enter the exchange rate in the GL Daily Rates table and then submit the AutoRate program, the reconciliation accounting entries are created for payments that were reconciled without exchange rates.

### Clearing Restrictions

Oracle Cash Management cannot clear bills payable that have a payment status of Issued.

Oracle Cash Management clears bills payable only if the payment status is Negotiable. On or after the maturity date of the payment, you can update the status to Negotiable.



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### Clearing Restrictions



## Reports

---

Reports	
Bank Account Listing	
Cash Requirement Report	
Discounts Available Report	
Discounts Taken and Lost Report	
Final Payment Register	
Payment Audit by Voucher Number	
ORACLE	

### Reports

The graphic lists Payment-related reports.

#### **Bank Account Listing**

Use this report to review information for each internal bank account you use. Payables provides detail information about each bank, bank branch, bank account, and payment document that you have defined.

#### **Cash Requirement Report**

Use the Cash Requirement Report to forecast your immediate cash needs for invoice payments. You can submit this report before every pay run to determine your cash requirements for the run. You can also submit this report for the next two or three pay runs to forecast your cash requirements for the future and improve your cash management.

#### **Discounts Available Report**

Use the Discounts Available Report to identify payments where you can take advantageous discounts. If you find that you are losing discounts, you can change your system and supplier defaults and modify your pay run selection criteria to make sure that you take all valid discounts.

#### **Discounts Taken and Lost Report**

Use the Discounts Taken and Lost report to identify payments for which you could have taken a discount, but did not. If you find that you are losing discounts, you can change your system and supplier defaults and modify your pay run selection criteria to make sure that you take all valid discounts.

### **Final Payment Register**

Use the Final Payment Register to list each payment that was included in a pay run. The report lists each payment in a pay run, including setup, overflow, and subsequently voided payment documents, in ascending order by payment number.

### **Payment Audit by Voucher Number Report**

Use the Payment Audit by Voucher Number Report to review payments with assigned sequential voucher numbers. If you enable the Sequential Numbering profile option, either you or Payables can assign a unique, sequential number to each payment you create. You can also use this report to review assigned and available voucher numbers for the sequence name you specify, as well as sequential numbers that have been deleted.

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<b>Payment Exceptions Report</b>
<b>Payment Gain &amp; Loss Report</b>
<b>Payment Register</b>
<b>Positive Pay File</b>
<b>Payment Process Request Status Report</b>

## Reports (continued)

## Payment Exceptions Report

## Payment Gain & Loss Report

## Payment Register

## Positive Pay File

A positive pay file is a security measure in the form of a document that the deploying company sends to its payment system or bank to inform it of payments made by check. When you print checks, then you can electronically transmit a list of payments to the bank or payment system that indicates the checks you printed, so the bank or payment system knows what checks to pay. This list prevents the payment system or bank from paying fraudulent checks, since such checks are not listed on the positive pay file.

To generate and transmit the positive pay file when checks are printed, select the Automatically Transmit File check box under the Positive Pay Region, Reporting subtab, of the Update Payment Process Profile page.

### **Payment Process Request Status Report**

Use the Payment Process Request Status Report to review the payments Payables will create when you format payments for the invoices in a pay run.

## Reports

Reports	
Separate Remittance Advice	
Stop Payments Report	
Supplier Payment History	
Unclaimed Property Report	
Void Payment Register	

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### Reports (continued)

The graphic lists Payment-related reports.

#### Separate Remittance Advice

Separate remittance advice is a document that lists the invoices paid with a particular payment. You can specify the format for the separate remittance advice document and the delivery method.

To specify when or for which payments remittance advice is generated, select an option from the Condition drop-down list under the Separate Remittance Advice Region, Reporting subtab, of the Update Payment Process Profile page.

- Number of Documents option: indicates the number of payments that must be included in a payment instruction for the system to generate separate remittance advice for the included payments.
- The Payment Detail Length option: indicates the minimum payment detail length required to generate separate remittance advice for a payment.

#### Stop Payments Report

Use the Stop Payments Report to review all current stop payments. Payables does not list any stop payments which were initiated, but then released, or voided at a later time.

#### Supplier Payment History Report

Use the Supplier Payment History Report to review the payment history for a supplier, or a group of suppliers with the same supplier type.

**Unclaimed Property Report**

This report identifies uncleared payments and is useful where you need to identify unclaimed property that must be escheated to a designated authority.

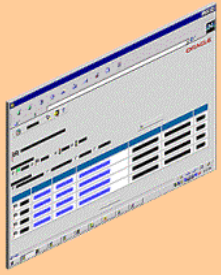
**Void Payment Register**

Use the Void Payment Register to obtain a listing of void payments. The Void Payment Register provides you with payment and supplier information for each void payment.

## Key Payables System Setup Options

### Key Payables System Setup Options

The key Payables system setup options include the following in the Payment region of the Supplier tab.



- Pay Group
- Terms Date Basis
- Pay Date Basis
- Payment Terms
- Always Take Discount
- Create Interest Invoices

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### Key Payables System Setup Options

Payables Responsibility

(N) Setup > Options > Payables System Setup

**Pay Group:** Pay group is a payment classification that Payables uses to specify which invoices should be selected during a pay run.

**Terms Date Basis:** Terms date basis is the date you selected for Payables to use as the basis for calculating the scheduled payment. Below are the options available listed in order from the earliest date selection to the most recent date selection.

- Goods Received (Date)
- Invoice (Date)
- Invoice Received (Date)
- System (Date)

**Pay Date Basis:** Pay date basis tells the system whether the payment is normally made to this supplier during the discount period or simply by the due date.

**Payment Terms:** Payment terms are used to automatically calculate due dates, discount dates, and discount amounts for each invoice to schedule payments. Additional terms can be added to the list of values through the Payment Terms window.

**Always Take Discount:** If you select this check box, Payables always pays the discounted amount to a supplier, whether or not payment is made within the discount period.

**Create Interest Invoices:** If you select this check box, Payables calculates interest for the supplier's overdue invoices and creates corresponding interest invoices when you pay the overdue invoices. Payables calculates interest only for invoices that are overdue 365 days or less. If you enable this check box, it is automatically enforced for all sites of a supplier.



## Key Payables Setup Options

### Key Payables Setup Options

The key Payables setup options include the following in the Single Payment region of the Payment tab:

- Allow Pre-Date
- Allow Void and Reissue
- Allow Address Change



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### Key Payables Setup Options

Payables Responsibility

(N) Setup > Options > Payables Options

**Allow Pre-Date:** If you select this check box, Payables enables you to create payments with a payment date before the system date for any payment, except a Manual payment.

**Allow Void and Reissue:** If you select this check box, you can reissue a Quick payment. For example, you may need to reissue a check for a Quick payment if it is spoiled during printing. When you reissue a check, Payables voids the old check and creates a replacement check. The checks are identical except that the new check has a new check number, payment date, and payment exchange rate if you are using multiple currencies.

**Allow Address Change:** If you select this check box, you can address a payment to an address other than the invoice's supplier site's address.

### Payment Terms

Payment terms are defined to:

- assign them to an invoice to automatically create scheduled payments when you submit Invoice Validation for the invoice
- create multiple scheduled payment lines and multiple levels of discounts



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### Payment Terms

Payables Responsibility

(N) Setup > Invoice > Payment Terms

#### Using Payment Terms

In the Payment Terms window, you can create an unlimited number of payment terms. Payment terms have one or more payment term lines, each of which creates one scheduled payment. Each payment term line and each corresponding scheduled payment have a due date or a discount date based on one of the following:

- A specific day of a month, such as the 15th of the month
- A specific date, such as August 15, 2007
- The number of days added to your terms date, such as 14 days after the terms date
- A special calendar that specifies a due date for the period that includes the invoice terms date. Only due dates can be based on a special calendar. Discount dates cannot be based on a special calendar.

Each payment term line also defines the due or discount amount on a scheduled payment. When you define payment terms, you specify payment amounts by percentages or by fixed amounts. After you define payment terms, you can select default payment terms that

Payables automatically assigns to the suppliers and supplier sites you enter. The payment terms for a supplier site default to the invoices you enter for the site.

### Defining Payment Terms

**Name:** Enter a unique payment term name and a description. Use names that make it easy to identify the usage of payment terms. For example, use 1/10 Net 30 to refer to a payment term which indicates you receive a 1% discount if you pay within 10 days and the invoice is due in 30 days. This name will appear on a list of values with the description whenever you select a payment term.

**Description:** Description of payment term.

**Cut-off Day:** For Day of Month terms only, the day of the month, after which the due and discount dates of the scheduled payment will be in a future month. The exact month depends on the value you enter for the Months Ahead field. Payables compares the invoice terms date to the Cut-off Day. If you leave this field blank, Payables always uses the current accounting month to determine the due and discount dates.

For example, suppose your Cut-off Day is 11, your Months Ahead is 0 (zero), and your Day Of Month due date is 15. If you enter an invoice with a payment term date of January 12, Payables will set the due date for February 15.

**Note:** If you use due Days or Fixed Date terms, do not enter a cut-off day.

**Rank:** If you enable Recalculate Scheduled Payment, enter a unique value to rank your invoice terms. One is the highest rank. Payables uses ranks to choose the most favorable payment terms from the invoice and purchase order. During Invoice Validation, Payables recalculates the scheduled payment using the most favorable terms only if the Recalculate Scheduled Payment Payables option is enabled.

**Effective Dates Region [From To]:** If you want to make this payment term valid on a certain date, enter that date in the Effective Dates From field. If you want to make this payment term invalid on and after a certain date, enter that date in the Effective Dates To field.

### Due Subtab

Enter one of the following to determine the portion of an invoice due on the scheduled payment:

- **% Due:** The portion of an invoice due. The total of your scheduled payment lines must equal 100%. You cannot combine percentages due and amounts due for one set of payment terms.
- **Amount:** For amount due terms only, enter the amount due. Typically amount due terms have more than one payment term line since you must specify zero as the amount on your last payment term line. Payables uses the zero amount payment line to determine the remaining amount due on the last scheduled payment.

Enter one of the following to determine the due date on the scheduled payment line:

- **Calendar:** If you enter a value in the Calendar field, Payables determines due dates for scheduled payments by using a special calendar. A special calendar is divided into periods, and each period has a due date assigned to it. When you assign due dates to the periods of a payment terms calendar, you can avoid weekends and holidays. You can define special calendars for payment terms in the Special Calendar window.
- **Fixed Date:** Specific month, day, and year on which a payment term is due.
- **Days:** Payables adds this number of days to the invoice terms date to determine the due or discount date on your scheduled payment line.

**Note:** You cannot enter values in the Day of Month and Months Ahead fields for a payment term line if you enter a value in this field.

- **Day of Month/Months Ahead**

- **Day of Month** - Payables uses the value you enter to calculate a due or discount date for a scheduled payment. For example, enter 15 to have Payables schedule payment for the 15th day of the month. Enter 31 if you want Payables to schedule payment for the final day of the month, including months with less than 31 days.
- **Months Ahead** - For Day of Month terms only. Payables uses the value you enter in conjunction with the Cut-off Day you enter to calculate the due or discount date of a scheduled payment line. If you enter zero (0) in this field and the terms date of an invoice is the same as or later than the Cut-off Day, then Payables uses the day in the Day of Month field for the next month as the due date of an invoice payment line. If you enter 1 in this field, Payables uses one month beyond the next month as the due date.

**Note:** You cannot enter a value in this field if you enter a value in the due Days field.

### **First Discount, Second Discount, and Third Discount Subtabs**

If you are using discount terms, define payment term lines in the First, Second, and Third Discount subtabs. Define discounts so that the first discount has an earlier discount date than the second, and so on. You can realize only one discount on a payment term line.

Enter one of the following to determine the portion of the invoice to discount on the scheduled payment: % Due or Amount.

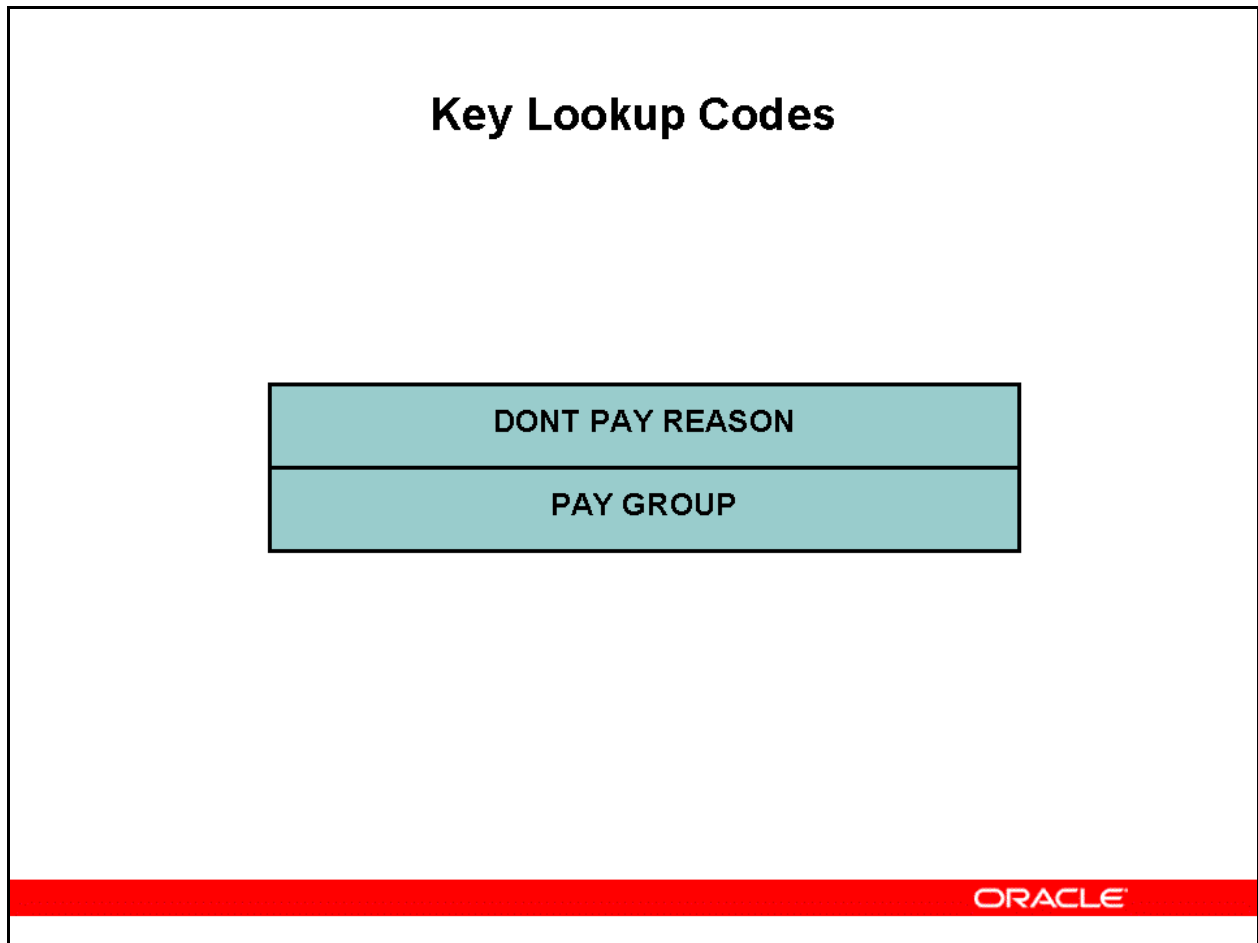
In the % Discount field, enter the discount percent. Payables uses the percentage you enter to calculate the discount amount available for a scheduled payment. Payables multiplies this percentage with the amount due on the scheduled payment line to determine the discount amount available on the scheduled payment line.

**Note:** In the Second and Third Discount subtabs, you can enter second and third discount percentages for discounts available if you miss the first discount date. Do not enter a value in this field if there is no discount available.

Enter one of the following to determine the due date on the scheduled payment line: Days, Day of Month, or Months Ahead.

## Key Lookup Codes

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### Key Lookup Codes

Lookup codes are values that you can add to a field's list of values. The lookup type of DONT PAY REASON and PAY GROUP are payment-related.

**Dont Pay Reason:** Used when you remove all invoices for a supplier site from a pay run.

**Pay Group:** Groups invoices in pay runs.

### Setting Up XML Publisher Formatting Templates

The system uses Oracle XML Publisher formatting templates to format payment instructions. Oracle XML Publisher:

- provides ready-to-use formatting templates
- enables you to configure your own formatting templates

The purpose of setting up formatting templates is to:

- enable the system to use the formatting templates to format payment instructions



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### Setting Up XML Publisher Formatting Templates

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for XML Publisher Format Templates > Templates page > (B) Create Template > Create Template page

You can create new formatting templates or modify existing ones by using Microsoft Word.

Oracle XML Publisher enables you to create formatting templates in the following output:

- PDF
- eText

Oracle XML Publisher's eText feature is used to create fixed position and delimited payment formats.

### Setting Up Payment Formats

A payment format is an entity that associates the XML Publisher Template with the payment process. The purpose of setting up payment formats is to:

- assign validation sets
- associate each payment format with an XML Publisher formatting template

The system provides one payment format for each of the formatting templates in Oracle XML Publisher.



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### Setting Up Payment Formats

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for Formats > Create Format page

#### Organizations Requiring Specific Payment Formats

Financial institutions, payment systems, and countries have specific formatting and validation requirements for funds disbursement transactions, payment documents, and payment-related reporting.

#### Payment Formats

You create payment formats by using Oracle XML Publisher formatting templates to format electronic payment instructions according to the formatting requirements of financial institutions or payment documents. Each payment format corresponds to one Oracle XML Publisher formatting template.

#### Prerequisite

Before you can set up payment formats, you must set up:

- Oracle XML Publisher templates

#### Setting Up Payment Formats

Payment formats are associated with specific Oracle XML Publisher formatting templates and can also be assigned validation sets to validate transactions that use that format. A single payment system can use multiple payment formats.



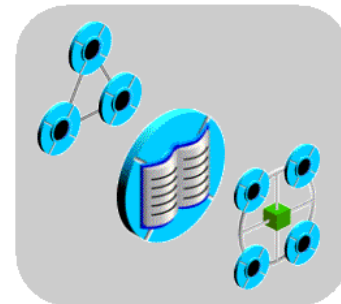
### Setting Up Transmission Configurations

A transmission configuration:

- implements a specific transmission protocol
- enables the delivery of a transaction to a specific payment system or financial institution

This setup is only required for sending:

- electronic payments to a payment system
- positive pay files



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### Setting Up Transmission Configurations

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for Transmission Configurations > Transmission Configurations page > (B) Create Configuration > Create Transmission Configuration page

Each transmission protocol has parameters that require values. The values defined for the parameters comprise the transmission configuration for that transmission protocol.

## Setting Up Payment Systems

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### Setting Up Payment Systems

A payment system is an organization that provides financial settlement services, such as a:

- bank at which the deploying company has its bank accounts
- third party processor that connects deploying companies with financial institutions



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### Setting Up Payment Systems

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for Payment Systems > Payment Systems page > (B) Create > Create Payment System page

The purpose of setting up payment systems is to define:

- The external organizations that process your funds disbursement transactions
- The deploying company's relationships with its payment systems

#### Prerequisites

Before you can set up payment systems, you must setup the following:

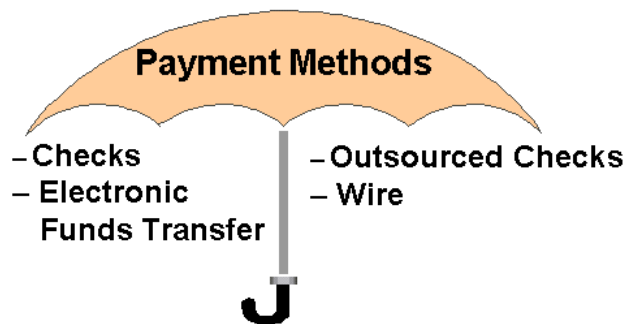
- Formats
- Transmission configurations

## Setting Up Funds Disbursement Payment Methods

### Setting Up Funds Disbursement Payment Methods

A funds disbursement payment method is a medium by which the deploying company makes a payment to one or more suppliers.

Payments supports the following payment methods for funds disbursement:



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### Setting Up Funds Disbursement Payment Methods

The graphic describes the Funds Disbursement payment methods.

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for Payment Methods under Funds Disbursement Setup > Create Payment Method: General page.

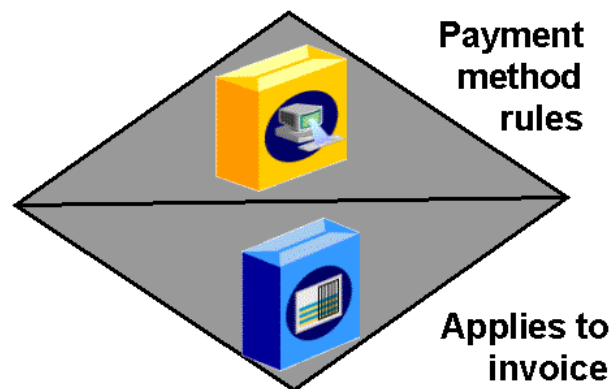
The purpose of creating funds disbursement payment methods is to:

- Define the payment methods you want to use to make payments
- Define rules to default payment methods onto documents payable
- Assign validations to be run on documents payable, payments, and payment instructions

## Setting Up Payment Method Defaulting Rules

### Setting Up Payment Method Defaulting Rules

Payment method defaulting rules determine how payment methods default onto a document payable, such as an invoice. A payment method defaults onto an invoice when all specified conditions are met.



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### Setting Up Payment Method Defaulting Rules

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for Payment Method Defaulting Rules > Payment Method Defaulting Rules page > (B) Create > Create Defaulting Rule page

The purpose of setting up payment method defaulting rules is to create and maintain defaulting rules for when payment methods are to default on documents to be paid.

#### When a Payment Method Defaults onto an Invoice

A payment method defaults onto an invoice when values on the invoice, such as legal entity, organization, and payment type, match the values for the defaulting rules' conditions for the applicable payment method. The system applies the defaulting rules in the user-specified priority.

#### Example

If the first rule is a match, the system stops and defaults that rule's corresponding payment method onto the invoice. Further, suppose you specify that the payment method for all documents processed by Oracle Payables is first, Check and second, EFT. In this case, if the conditions for Payment Method Check match those on the invoice, then Payment Method Check defaults onto the invoice. If the conditions for Payment Method Check do not match those on the invoice, then the system determines whether the conditions for Payment Method

EFT matches. If the conditions for Payment Method EFT match those on the invoice, then Payment Method EFT defaults onto the invoice.

Generally, the source product allows the user to override the default payment system manually.

### Setting Up Payment Process Profiles

A payment process profile is a blueprint assigned to documents payable, which specifies:

- all the rules for creating and disbursing payments
- how payments are processed
- instructions for payment formatting and transmission

The purpose of setting up payment process profiles is to specify the details of the payment process.



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### Setting Up Payment Process Profiles

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task for Payment Process Profiles > Payment Process Profiles page > (B) Create > Create Payment Process Profile page

Before you can set up payment process profiles, you must perform the following setup steps:

- Funds disbursement payment methods
- Formats
- Payment systems and transmission configurations, if you plan to use them

### Setting Up Disbursement System Options

Disbursement system options are system-wide payment options that control disbursements made by the deploying company to suppliers.

Payables provides two levels of system options:



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### Setting Up Disbursement System Options

The graphic lists the levels of system options.

Oracle Payments Payment Administrator responsibility

(N) Oracle Payments Setup > Click Go to Task icon for Disbursement System Options > Disbursement System Options page

The purpose of setting up disbursement system options is to specify how the payment process runs at the enterprise and organization-levels.

### **Additional Implementation Considerations**

Additional implementation considerations include:

- Managing Cash Requirements
- Internal Controls for Payment Processing
- Integration Partners

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### **Additional Implementation Considerations**



## Managing Cash Requirements

### Managing Cash Requirements

- Run Cash Requirement Report
- Narrow Selection of Invoices in Pay Run

Payment Selection Criteria Name	Original Payment Selection Criteria	Revised Payment Selection Criteria
Pay Through Date (current date Feb-5)	Feb-25	Feb-15
Payment Priorities High/Low	None	1-5
Include Only Due	No	Yes
Payment Limits	Max Outlay \$5M Max Pmt \$500K	Max Outlay \$2.5M Max Pmt \$300K

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### Managing Cash Requirements

The tables should managing cash requirements.

For various reasons, there may be times when your organization does not have the necessary cash to pay the invoices selected. Several options exist to manage your cash requirements so that they better match the cash you have available. These options are discussed below.

#### Run Cash Requirement Report

Use the Cash Requirement Report to forecast your immediate cash needs for invoice payments. You can submit this report:

- before every pay run to determine your cash requirements for the batch
- for the next two or three pay runs to forecast your cash requirements for the future and improve cash management

#### Narrow Selection of Invoices in Pay Run

Although you can review invoices and payments that have been selected for a particular pay run, larger cash flow problems can be more efficiently handled by altering the invoice selection criteria for the pay run. Options include:

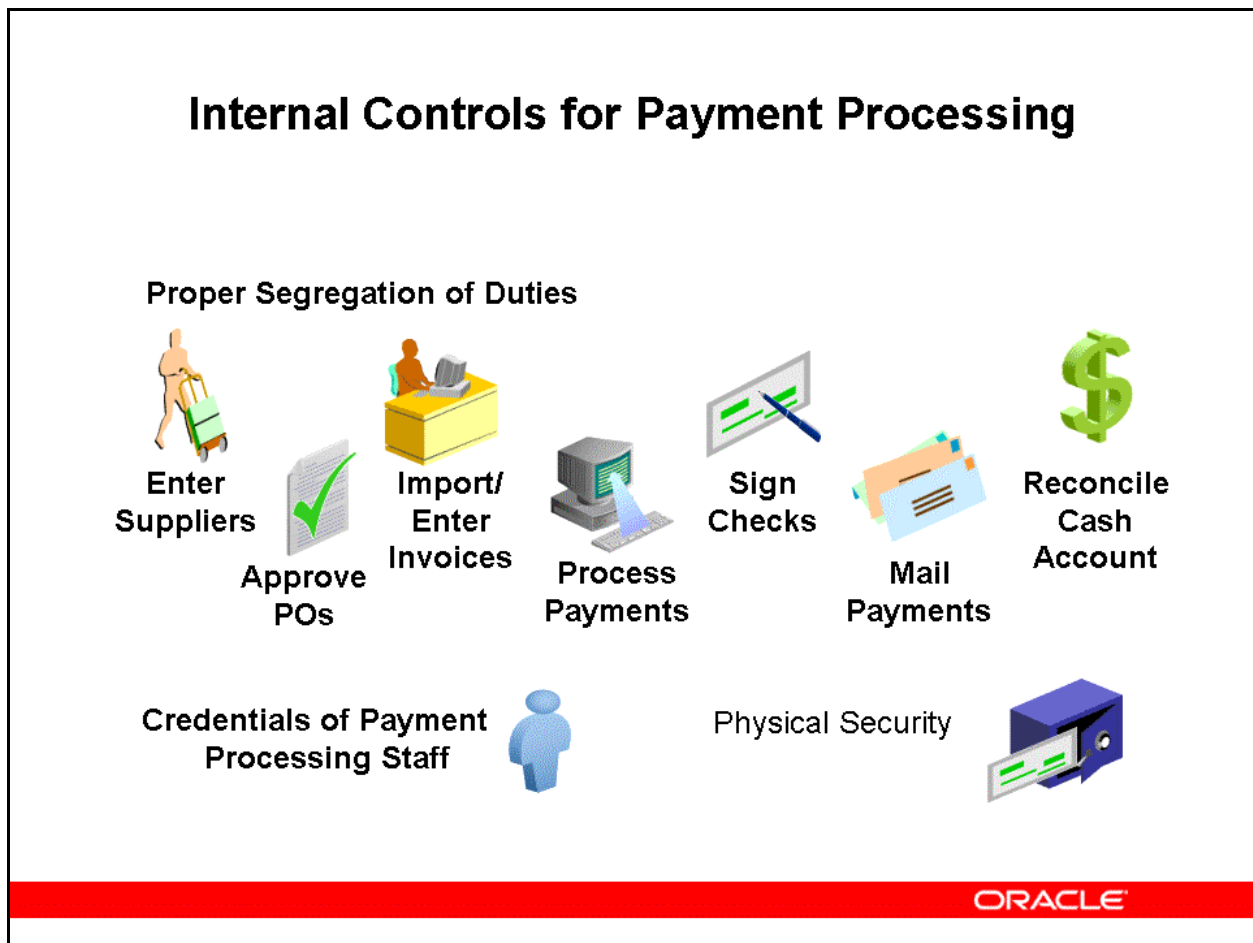
- **Additional Pay Through Days:** The defaulted date is created by referencing the Additional Pay Through Days setting on the Scheduled Payment Selection Criteria tab in the Create Payment Process Request Template page. This selection criteria is typically

set to coincide with the frequency of your pay runs. For example, if you process pay runs twice a month, you would probably specify the Additional Pay Through Days field with a value 15. In times of low cash availability, you can change this value to 7 to pay only those invoices due in the next 7 days rather than the next 15.

- **Payment Priorities High/Low:** You may not normally use this criteria during invoice selection. If, however, you have assigned priorities to your suppliers appropriately, you may reduce the number of invoices selected for payment by establishing selection criteria for your higher priority suppliers to prevent delayed delivery of goods or services critical to your operations.
- **Include Only Due:** Payables selects invoices with due dates that fall within the Number of Pay From Days and Additional Pay Through Days. These invoices may be ones that are being paid within a discount period or simply when due. You may choose to override the Pay Date Basis on supplier records for a particular pay run by enabling the Include Only Due option. The system then drops invoices from the pay run that were being paid within a discount period, thereby foregoing the discount available.
- **Payment Limits:** You can further manage your cash requirements by lowering the maximum dollar amounts set for a total pay run (Maximum Outlay) or for an individual payment within the pay run (Maximum Payment), regardless of the number and dollar amount of the invoices comprising the payment.

Be certain that you're aware of the impact that these changed selection criteria will have on your organization. In the case of paying only invoices due in the subsequent week, consider when and how you will be able to get back to a regular schedule. Also, review the Discounts Available Report so that you'll be aware of the cost of foregoing these discounts and paying the full amount on the due date.

## Internal Controls for Payment Processing



### Internal Controls for Payment Processing

The graphic describes Internal Control for Payment processing.

To ensure that there is neither intentional nor unintentional problems with payment processing, it is critical that you establish proper internal controls. Misappropriation of funds is more common in payment processing than in other activities of your organization. While you cannot eliminate the possibility of this problem, you can significantly reduce its likelihood. Below are some of the ways you can reduce this risk.

#### Proper Segregation of Duties

As you determine the staffing levels required to perform the various functions involved in the procure to pay lifecycle, you must ensure that no one person or even just a few people are involved in the process. To assign one person the responsibility for entering suppliers, approving purchase orders and entering invoices and then another employee the responsibility for processing payments, signing checks, mailing payments, and reconciling your bank account would be poor internal control. Once duties have been properly structured, you support that structure by establishing multiple responsibilities, each with the functions appropriate to the job roles included in the design.

#### Credentials of Payment Processing Staff

Due to the sensitivity of payment processing, you may want to bond these staff members and require police background checks. You can also require them to sign an ethics or confidentiality statement.

### **Physical Security**

Physical access to your check stock, whether pre-printed or not, must be carefully controlled. Even staff with access to the check stock may not have unlimited access, but may be required to first review the Payment Process Request Status Report with the Payables Manager beforehand. Physical access extends, not just to your check stock, but to your electronic files that are available to both technical and functional staff members. Inclusion of external and/or internal audit staff should be considered before finalizing internal controls for payment processing.

### Supporting Third Party Payment

Financial settlement is one of the key components of a business process. It is the final step in completing the business transaction.

The payments made to the suppliers during the settlement process are dependent on the agreement entered into between the customers and suppliers for carrying on the business transactions. Payments are generally made to the original supplier providing the goods or services, however there can be specific arrangements made wherein the suppliers can specify a different party to be paid on their behalf. The payments made to other parties on behalf of the suppliers are termed as Third Party payments.



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### Supporting Third Party Payment

Financial settlement is one of the key components of a business process. It is the final step in completing the business transaction. In the Procure to Pay cycle, suppliers send invoices to customers after delivering goods or rendering services. Once the invoices are received, the accounts payables department of the customer validates the invoices and approves them for payments.

The payments made to the suppliers during the settlement process are generally dependent on the agreement entered into between the customers and suppliers for carrying on the business transactions. Payments are generally made to the original supplier providing the goods or services, however there can be specific arrangements made wherein the suppliers can specify a different party to be paid on their behalf. The payments made to other parties on behalf of the suppliers are termed as Third Party payments.

Third Party payments help parties involved in business to set off their liabilities without directly paying them. This reduces the direct funds movements and transactions are settled easily.

# Supporting Engineering and Construction Subcontractor Payment Management

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## **Supporting Engineering and Construction Subcontractor Payment Management**

Engineering and Construction firms have unique requirements regarding subcontractor management, subcontractor payment, and customer billing. Improvements in Payment management of Subcontractor are considered to be a top priority to the Engineering and Construction industry in recent years, considering Subcontractor role in successful completion of the project. To synergize the efforts of Subcontractor in overall success of project it is very important to do timely payments to place appropriate controls in the Payment process.



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## **Supporting Engineering and Construction Subcontractor Payment Management**

Engineering and Construction firms have unique requirements regarding subcontractor management, subcontractor payment, and customer billing. It is a common practice in the Engineering and Construction industry to hire a Subcontractor by a General contractor to perform specific portions of work as part of the overall construction project. Improvements in Payment management of Subcontractor are considered to be a top priority to the Engineering and Construction industry in recent years, considering Subcontractor role in successful completion of the project. To synergize the efforts of Subcontractor in overall success of project it is very important to do timely payments to place appropriate controls in the Payment process.

Payables Department must have efficient and effective controls on payments. Payables department must ensure that suppliers are paid only when they are supposed to be paid as per the terms defined. Till then the suppliers should be held for any payment.

The Business Process related to Engineering and Construction usually includes the Pay when Paid terms and other deliverable required from the Subcontractor Pay When Paid is a payment term common in the Engineering and Construction Industry where subcontractors are not paid until the customer pays the general contractor.

PO Deliverable are documents required to be submitted or renewed by the subcontractor. If this is not done as per the terms, the payments are held for the supplier.

Payables supports automatic Payment Holds and Releases in following scenarios:

- Pay when paid scenario
- PO Deliverable

You define the Hold and Reasons on the Holds tab on the Invoices Workbench window. Two new types of Invoice Hold Names, Pay when paid scenario and PO Deliverable, and two new Invoice Release reasons, Project Manager release and Automatic Release, are included.

This lets you hold the payment if pay when paid term is enabled or if Deliverable is not received from the subcontractor Pay When Paid Scenario

To support pay when paid scenario, you must first enable these terms in the Purchase Order. Whenever invoices are validated (online or through the Concurrent Process), if the invoice is matched to Purchase order or receipt, and any of the matched PO has Pay When Paid marked as Yes, the invoice is put on hold with hold reason as Pay when Paid hold. You can release the Pay When Paid Hold:

- From Project Manager workbench
- Through PRC: Release Pay When Paid Invoices Concurrent Process
- Manually through invoice workbench

To support payment control with regard to PO deliverable, whenever invoices are validated (online or through the Concurrent Process), if the PO Deliverable are not received or renewed as per the terms and set up, the invoices are put on PO Deliverable Hold. The hold is released when the PO Deliverable are received.

PO Deliverable Hold can be released in the following ways:

- By the Invoice validation Program
- From the Project Manager Workbench
- Manually through Invoice Workbench

## Supporting Single European Payments Area (SEPA) Credit Transfer

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### **Supporting Single European Payments Area (SEPA) Credit Transfer**

The European Payments Council (EPC) is the governing and coordination body of the European banking industry in relation to payments, established in the year 2002 to support and promote the creation of the Single European Payments Area (SEPA).

A SEPA Credit Transfer (SCT) is a payment instrument for the execution of credit transfers in Euro between Customers located in the SEPA zone. The SEPA Credit Transfer is executed on behalf of an Originator. The payment is transferred from the Originator's Bank account to the Beneficiary's bank account.

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### **Supporting Single European Payments Area (SEPA) Credit Transfer**

The European Payments Council (EPC) is the governing and coordination body of the European banking industry in relation to payments. It was established in the year 2002 and its purpose is to support and promote the creation of the Single European Payments Area (SEPA). The SEPA initiative involves creation of a zone for European countries (in 2008 the SEPA zone includes 31 countries) in which all payments in Euro are considered domestic even payment crossing borders.

A SEPA Credit Transfer (SCT) is a payment instrument for the execution of credit transfers in Euro between Customers located in the SEPA zone. The SEPA Credit Transfer is executed on behalf of an Originator. The payment is transferred from the Originator's Bank account to the Beneficiary's bank account. For more details on SEPA functionality, refer to *Oracle Payments User's Guide*.



### Summary

In this lesson, you should have learned how to:

- Describe the payment process
- Set up banks and bank accounts
- Enter single payments
- Process multiple payments
- Review and adjust payments
- Set up and create bills payable
- Create, apply, and release holds on prepayments

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### **Summary**

- Reconcile payments with Oracle Cash Management
- Use key standard reports
- Understand key setup options
- Understand additional implementation considerations

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## Quiz

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### Quiz

Make payments from your disbursement bank accounts in multiple ways: printed checks, wire, or through a variety of electronic payments, including electronic funds transfer (EFT), electronic data interchange (EDI), and XML.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 5-5.

## Quiz

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### Quiz

Using the Payments Manager, you can complete a pay run from start to finish. A pay run is the process by which a group of invoices is selected and processed for payment

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 5-9.

## Quiz

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### Quiz

These payment methods are seeded, but deploying companies can create their own payment methods.

1. Check
2. Outsourced Check
3. Electronic
4. Wire
5. None of the Above

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**Answers: 1, 2, 3, 4**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 5-10.

## Quiz

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### Quiz

Expedited single payments include Manual payments, Quick payments, and Refunds. These expedited single payments Are submitted from the Payments Workbench and do not stop for reviews. The payment process simply succeeds or fails.

1. True
2. False

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**Answers: 1**

#### **Quiz Specifications**

- The Quiz question should be polled after the Slide 5-31.